

REFERENCE TITLE: adjustments; general appropriations; 2008-2009

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HB 2864

Introduced by
Representative Boone (with permission of committee on Rules)

AN ACT

MAKING APPROPRIATIONS AND OPERATING ADJUSTMENTS FOR THE DIFFERENT DEPARTMENTS OF THE STATE, FOR STATE INSTITUTIONS AND FOR PUBLIC SCHOOLS; PROVIDING FOR CERTAIN REPORTING REQUIREMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Subject to applicable laws, the sums or sources of revenue
3 set forth in this act are appropriated for the fiscal years indicated and
4 only from the funding sources listed for the purposes and objects specified
5 and the performance measures are indicated as legislative intent. If monies
6 from funding sources in this act are made unavailable, no other funding
7 source shall be used.

8 Sec. 2. DEPARTMENT OF ADMINISTRATION

9 2008-09

10	<u>State general fund</u>	
11	FTE positions	301.3
12	Operating lump sum appropriation	\$ 19,043,900
13	ENSCO	2,867,300
14	Arizona financial information	
15	system	1,115,200
16	Statewide telecommunications	
17	management contract lease	
18	payment	851,800
19	Utilities	625,700
20	County attorney immigration	
21	enforcement	<u>2,430,000</u>
22	Total - general fund	\$ 26,933,900

23 Performance measures:

24	Per cent of ADOA services receiving a good	
25	(6) or better rating from customers,	
26	based on annual survey (Scale 1-8)	85
27	Per cent of procurement plan award dates	
28	met for the RFP process	77
29	Customer satisfaction with establishing	
30	contracts (Scale 1-8)	6.9
31	Customer satisfaction with administering	
32	contracts (Scale 1-8)	6.7
33	Customer satisfaction rating for the	
34	operation of AFIS (Scale 1-8)	7.5
35	Average capitol police response time to	
36	emergency calls (in minutes and seconds)	1:40

37 The department may collect an amount of not to exceed \$1,762,600 from
38 other funding sources, excluding federal funds, to recover pro rata costs of
39 operating AFIS II. Any amounts left unspent from the Arizona financial
40 information system line item shall revert to the state general fund.

41 The \$2,430,000 appropriated to the county attorney immigration
42 enforcement line item shall be distributed as follows: \$1,430,000 to each
43 county attorney of a county in this state having a population of 1,500,000 or
44 more persons and \$500,000 to each county attorney of a county in this state
45 having a population of 800,000 or more persons but less than 1,500,000

persons. The remainder of the monies are to be distributed as equally as possible to each county attorney of counties in this state having a population of less than 500,000 persons. County attorneys may enter into agreements with county sheriffs or other law enforcement agencies or jurisdictions for the purposes of implementing section 23-212, Arizona Revised Statutes. These appropriations are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Air quality fund

Lump sum appropriation \$ 800,200

Performance measures:

Customer satisfaction with all travel reduction services (Scale 1-8)

6.7

The amounts appropriated for the state employee transportation service subsidy shall be used for up to a one hundred per cent subsidy of charges payable for transportation service expenses as provided in section 41-786, Arizona Revised Statutes, of nonuniversity state employees in a vehicle emissions control area as defined in section 49-541, Arizona Revised Statutes, of a county with a population of more than four hundred thousand persons.

Capital outlay stabilization fund

FTE positions 56.7

Operating lump sum appropriation \$ 5,159,900

Utilities 7,349,900

Relocation 60.000

Total - capital outlay stabilization fund

\$ 12,569,800

Performance measures:

Customer satisfaction rating for building maintenance (Scale 1-8)

6.5

Monies in the relocation line item are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until December 31, 2009.

Corrections fund

FTE positions 9.3

Lump sum appropriation \$ 677,300

The intent of the legislature is for the amount appropriated from the corrections fund to be expended solely for the oversight of construction projects benefiting the state department of corrections or the department of juvenile corrections.

Motor vehicle pool revolving fund

FTE positions 19.0

Lump sum appropriation \$ 10,765,200

1 Performance measures:
 2 Customer satisfaction with short-term (day use)
 3 vehicle rental (Scale 1-8) 7.7
 4 It is the intent of the legislature that the department not replace
 5 vehicles until an average of 120,000 miles, or more.
 6 Telecommunications fund
 7 FTE positions 22.0
 8 Lump sum appropriation \$ 2,905,600
 9 Performance measures:
 10 Customer satisfaction rating for the wide area
 11 network (MAGNET) (Scale 1-8) 6.4
 12 Customer satisfaction rating for statewide
 13 telecommunications management contract
 14 services (Scale 1-8) 6.0
 15 Information technology fund
 16 FTE positions 7.3
 17 Lump sum appropriation \$ 1,000,000
 18 Automation operations fund
 19 FTE positions 158.4
 20 Lump sum appropriation \$ 22,102,400
 21 Performance measures:
 22 Customer satisfaction rating for mainframe
 23 services based on annual survey (Scale 1-8) 7.0
 24 The appropriation for the automation operations fund is an estimate
 25 representing all monies, including balance forward, revenue and transfers
 26 during fiscal year 2008-2009. These monies are appropriated to the
 27 department of administration for the purposes established in section 41-711,
 28 Arizona Revised Statutes. The appropriation shall be adjusted as necessary
 29 to reflect receipts credited to the automation operations fund for automation
 30 operation center projects. Expenditures for all additional automation
 31 operation center projects above the \$22,102,400 appropriation shall be
 32 subject to review by the joint legislative budget committee, following
 33 approval of the government information technology agency. Expenditures for
 34 each additional project shall not exceed the specific revenues of that
 35 project.
 36 Risk management fund
 37 FTE positions 96.0
 38 Operating lump sum appropriation \$ 7,990,800
 39 Risk management losses and premiums 45,371,300
 40 Workers' compensation losses and
 41 premiums 30,112,300
 42 External legal services 5,592,200
 43 Nonlegal related expenditures 3,153,900
 44 Total - risk management fund \$ 92,220,500

1	Performance measures:	
2	Workers' compensation incidence rates/100	
3	FTE positions	4.1
4	Customer satisfaction with self-insurance	
5	(Scale 1-8)	7.5
6	<u>Personnel division fund</u>	
7	FTE positions	139.0
8	Operating lump sum appropriation	\$ 12,966,500
9	Human resources information solution	
10	certificate of participation	<u>4,354,000</u>
11	Total - personnel division fund	\$ 17,320,500
12	Performance measures:	
13	Customer satisfaction with employee training	
14	(Scale 1-8)	6.1
15	<u>Special employee health insurance</u>	
16	<u>trust fund</u>	
17	FTE positions	39.0
18	Operating lump sum appropriation	\$ 4,776,900
19	Employee wellness program	<u>300,000</u>
20	Total - special employee health	
21	insurance trust fund	\$ 5,076,900
22	Performance measures:	
23	Customer satisfaction with benefit plans	
24	(Scale 1-8)	6.2
25	<u>State surplus materials revolving</u>	
26	<u>fund</u>	
27	FTE positions	16.0
28	Operating lump sum appropriation	\$ 1,161,900
29	State surplus property sales	
30	proceeds	<u>3,000,000</u>
31	Total - state surplus materials	
32	revolving fund	\$ 4,161,900
33	All state surplus property sales proceeds received by the department in	
34	excess of \$3,000,000 are appropriated. Before the expenditure of any state	
35	surplus property sales proceeds in excess of \$3,000,000, the department shall	
36	report the intended use of the monies to the joint legislative budget	
37	committee.	
38	<u>Federal surplus materials revolving</u>	
39	<u>fund</u>	
40	FTE positions	7.0
41	Lump sum appropriation	<u>\$ 444,300</u>
42	Total appropriation - department of	
43	administration	\$196,978,500

1 Fund sources:
 2 State general fund \$ 26,933,900
 3 Other appropriated funds 170,044,600
 4 Sec. 3. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
 5 2008-09
 6 Administration
 7 FTE positions 3,167.8
 8 Operating lump sum appropriation \$ 70,107,600
 9 DOA data center charges 5,717,500
 10 DES eligibility 55,687,400
 11 DES title XIX pass-through 357,800
 12 Healthcare group administration
 13 and reinsurance 6,521,000
 14 Indian advisory council 232,900
 15 Office of administrative hearings 271,300
 16 KidsCare - administration 7,411,100
 17 Proposition 204 - AHCCCS
 18 administration 11,401,700
 19 Proposition 204 - DES
 20 eligibility 40,229,100
 21 Claims computer system replacement 2,090,900
 22 DES eligibility system upgrade 2,600,000
 23 Total appropriation and expenditure
 24 authority - administration \$202,628,300
 25 Fund sources:
 26 State general fund \$ 86,692,400
 27 Budget neutrality compliance
 28 fund 2,841,000
 29 Children's health insurance
 30 program fund 5,640,900
 31 Healthcare group fund 6,521,000
 32 Expenditure authority 100,933,000
 33 Performance measures:
 34 Per cent of applications processed on time 95
 35 Customer satisfaction rating for eligibility
 36 determination clients (Scale 1-8) 6.0

37 The amounts appropriated for the department of economic security
 38 eligibility line item shall be used for intergovernmental agreements with the
 39 department of economic security for the purpose of eligibility determination
 40 and other functions. The general fund share may be used for eligibility
 41 determination for other programs administered by the division of benefits and
 42 medical eligibility based on the results of the Arizona random moment
 43 sampling survey.

1	<u>Acute care</u>	
2	Capitation	\$2,135,865,900
3	Reinsurance	134,202,200
4	Fee-for-service	577,716,600
5	Medicare premiums	96,275,300
6	Graduate medical education	44,906,200
7	Temporary medical coverage	11,597,200
8	Disproportionate share payments	30,350,000
9	Critical access hospitals	1,700,000
10	Hospital residency loan program	1,000,000
11	Breast and cervical cancer	1,530,000
12	Ticket to work	8,913,400
13	Dual eligible part D copay subsidy	1,029,700
14	Proposition 204 - capitation	1,205,445,600
15	Proposition 204 - reinsurance	129,920,200
16	Proposition 204 - fee-for-service	243,375,100
17	Proposition 204 - medicare	
18	premiums	31,316,900
19	Proposition 204 - county hold	
20	harmless	4,825,600
21	KidsCare - children	145,267,700
22	Rural hospital reimbursement	12,158,100
23	Medicare clawback payments	<u>28,844,600</u>
24	Total appropriation and expenditure	
25	authority - acute care	\$4,846,240,300
26	Fund sources:	
27	State general fund	\$1,229,528,500
28	Children's health insurance	
29	program fund	112,270,900
30	Tobacco tax and health care	
31	fund - medically needy	
32	account	62,886,200
33	Tobacco products tax fund -	
34	emergency health services	
35	account	25,716,500
36	Temporary medical coverage fund	3,247,200
37	Expenditure authority	3,412,591,000
38	Performance measures:	
39	Per cent of AHCCCS children receiving well	
40	child visits in the first 15 months of	
41	life (EPSDT)	60
42	Per cent of AHCCCS children's access to	
43	primary care provider	85

1 Per cent of AHCCCS women receiving annual
2 cervical screening 60

3 Member satisfaction as measured by
4 percentage of enrollees that choose
5 to change health plans 2.0

6 The \$30,350,000 appropriation for disproportionate share payments for
7 fiscal year 2008-2009 made pursuant to section 36-2903.01, subsection P,
8 Arizona Revised Statutes, includes \$4,202,300 for the Maricopa County
9 Healthcare District and \$26,147,700 for private qualifying disproportionate
10 share hospitals.

11 Of the \$4,825,600 appropriated for the proposition 204 county hold
12 harmless line item, \$234,200 is allocated to Graham county, \$3,817,800 to
13 Pima county, \$234,400 to Greenlee county, \$159,700 to La Paz county, \$214,800
14 to Santa Cruz county and \$164,700 to Yavapai county to offset a net loss in
15 revenue due to the implementation of proposition 204, and shall be used for
16 indigent health care costs.

17 Long-term care

18 Program lump sum appropriation \$1,184,799,700

19 Medicare clawback payments 20,740,900

20 Dual eligible part D copay
21 subsidy 470,300

22 Board of nursing 209,700

23 Total appropriation and expenditure
24 authority - long-term care \$1,206,220,600

25 Fund sources:

26 State general fund \$ 142,079,400

27 Budget neutrality compliance fund \$ 22,351,500

28 Expenditure authority 1,041,789,700

29 Performance measures:

30 Per cent of members utilizing home and
31 community based services (HCBS) 67

32 Per cent of ALTCS eligibility as measured by
33 quality control sample 99

34 Any federal funds that the Arizona health care cost containment system
35 administration passes through to the department of economic security for use
36 in long-term administration care for the developmentally disabled shall not
37 count against the long-term care expenditure authority above.

38 Pursuant to section 11-292, subsection B, Arizona Revised Statutes, the
39 county portion of the fiscal year 2008-2009 nonfederal portion of the costs
40 of providing long-term care system services is \$257,987,800. This amount is
41 included in the expenditure authority fund source.

1 Monies from the budget neutrality compliance fund may be used to
2 support the Arizona long-term care system.

3 Agencywide lump sum reduction \$(161,140,400)

4 Fund sources:

5 State general fund \$ (80,570,200)

6 Expenditure authority \$ (80,570,200)

7 Total appropriation and expenditure
8 authority - Arizona health
9 care cost containment system \$6,093,948,800

10 Appropriated fund sources:

11 State general fund \$1,377,730,100

12 Budget neutrality compliance fund 25,192,500

13 Children's health insurance
14 program fund 117,911,800

15 Healthcare group fund 6,521,000

16 Tobacco products tax fund -
17 emergency health services
18 account 25,716,500

19 Tobacco tax and health care
20 fund - medically needy account 62,886,200

21 Temporary medical coverage fund 3,247,200

22 Expenditure authority \$4,474,743,500

23 Performance measures:

24 Per cent of people under age 65 that
25 are uninsured 15.5

26 Before making fee-for-service program or rate changes that pertain to
27 hospital, nursing facility or home and community based services rates or for
28 any of the other fee-for-service rate categories that have increases that, in
29 the aggregate, are two per cent above and \$1,500,000 from the state general
30 fund greater than budgeted medical inflation in fiscal year 2008-2009, the
31 Arizona health care cost containment system administration shall report its
32 expenditure plan for review by the joint legislative budget committee.

33 The Arizona health care cost containment system administration shall
34 report to the joint legislative budget committee by March 1 of each year on
35 the preliminary actuarial estimates of the capitation rate changes for the
36 following fiscal year along with the reasons for the estimated changes. For
37 any actuarial estimates that include a range, the total range from minimum to
38 maximum shall be no more than two per cent. Before implementation of any
39 changes in capitation rates, the Arizona health care cost containment system
40 administration shall report its expenditure plan for review by the joint
41 legislative budget committee. Before the administration implements any
42 changes in policy affecting the amount, sufficiency, duration and scope of
43 health care services and who may provide services, the administration shall
44 prepare a fiscal impact analysis on the potential effects of this change on
45 the following year's capitation rates. If the fiscal analysis demonstrates

that these changes will result in additional state costs of \$500,000 or greater for a given fiscal year, the administration shall submit the policy changes for review by the joint legislative budget committee.

For the contract year beginning October 1, 2008, the administration may expend funds for federally-matched preventive adult dental services of up to \$1,000 per ALTCS member and federally-matched hospice services to non-ALTCS members.

Sec. 4. ARIZONA COMMUNITY COLLEGES

	<u>2008-09</u>
<u>Equalization aid</u>	
Cochise	\$ 5,648,800
Graham	14,308,100
Navajo	5,216,000
Yuma/La Paz	<u>1,870,300</u>
Total - equalization aid	\$ 27,043,200
<u>Operating state aid</u>	
Cochise	\$ 8,040,400
Coconino	3,142,700
Gila	690,500
Graham	4,983,000
Maricopa	53,223,100
Mohave	3,934,700
Navajo	4,017,400
Pima	18,100,700
Pinal	5,669,000
Yavapai	4,748,200
Yuma/La Paz	<u>5,219,800</u>
Total - operating state aid	\$111,769,500
Rural county reimbursement subsidy	<u>\$ 1,200,000</u>
Total appropriation - Arizona community colleges	\$140,012,700
Fund sources:	
State general fund	\$140,012,700
Performance measures:	

Number of applied baccalaureate programs

collaboratively developed with universities 34

Of the \$1,200,000 appropriated to the rural county reimbursement subsidy line item, Apache county will receive \$559,200, Greenlee county \$459,300, and Santa Cruz county \$181,500.

Sec. 5. DEPARTMENT OF CORRECTIONS

	<u>2008-09</u>
FTE positions	9,932.5
Correctional officer personal services	\$289,976,900
Health care personal services	37,449,400
All other personal services	71,794,000

1	Employee-related expenditures	160,727,900
2	Personal services and employee-related	
3	expenditures for overtime/compensatory	
4	time	24,331,400
5	Health care all other operating	
6	expenditures	86,607,900
7	Non-health care all other operating	
8	expenditures	<u>122,035,700</u>
9	Total - operating budget	\$792,923,200
10	Fund sources:	
11	State general fund	\$778,044,400
12	State education fund for	
13	correctional education	429,900
14	Alcohol abuse treatment fund	599,300
15	Penitentiary land fund	198,700
16	State charitable, penal and	
17	reformatory institutions	
18	land fund	1,240,500
19	Corrections fund	380,400
20	Transition office fund	180,000
21	Transition program drug treatment	
22	fund	600,000
23	Prison construction and operations	
24	fund	11,250,000
25	County jail beds	\$ 866,200
26	Fund sources:	
27	State general fund	\$ 866,200
28	New state prison beds	\$ 2,822,000
29	Fund sources:	
30	State charitable, penal and	
31	reformatory land fund	\$ 2,822,000
32	Private prison per diem	\$ 82,952,600
33	Fund sources:	
34	State general fund	\$ 52,478,300
35	Corrections fund	28,674,300
36	Penitentiary land fund	1,000,000
37	Prison construction and	
38	operations fund	800,000
39	Provisional beds	\$102,902,900
40	Fund sources:	
41	State general fund	\$ 98,846,700
42	Prison construction and	
43	operations fund	3,000,000
44	Penitentiary land fund	1,056,200

1 Performance measures:

2 Escapes from secure facilities	0
3 Number of inmates receiving the general	
4 equivalency diploma	2,500
5 Number of inmate random positive	
6 urinalysis results	1,400

7 The personal services and employee-related expenditures for
 8 overtime/compensatory time line item includes monies for personal services
 9 and employee related expenditure costs from overtime and compensatory time
 10 payouts accrued by department employees in fiscal year 2008-2009.

11 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
 12 any transfer to or from the amounts appropriated for county jail beds, new
 13 state prison beds, personal services and employee-related expenditures for
 14 overtime/compensatory time, private prison per diem or provisional beds line
 15 items shall require review by the joint legislative budget committee.

16 Before altering its bed capacity by closing state-operated prison beds,
 17 canceling or not renewing contracts for privately-operated prison beds, the
 18 department of corrections shall submit a bed plan detailing the proposed bed
 19 closures for review by the joint legislative budget committee.

20 Before placing any additional inmates in out-of-state provisional beds,
 21 the department shall place inmates in all available prison beds in facilities
 22 that are located in Arizona and that house Arizona inmates, unless the
 23 out-of-state provisional beds are of a comparable security level and price.

24 A monthly report comparing department of corrections expenditures for
 25 the month and year-to-date as compared to prior year expenditures shall be
 26 forwarded to the president of the senate, the speaker of the house of
 27 representatives, the chairpersons of the senate and house of representatives
 28 appropriations committees and the director of the joint legislative budget
 29 committee by the thirtieth of the following month. The report shall include
 30 at least each line item of appropriation and the main components of all other
 31 operating expenditures. The report shall include an estimate of potential
 32 shortfalls, potential surpluses that may be available to offset these
 33 shortfalls and a plan, if necessary, for eliminating any shortfall without a
 34 supplemental appropriation.

35 Department of corrections personnel in the correctional officer series
 36 who receive a geographic stipend shall not retain the geographic stipend
 37 associated with that facility when transferring to other department
 38 facilities.

39 One hundred per cent of land earnings and interest from the
 40 penitentiary land fund shall be distributed to the state department of
 41 corrections in compliance with the enabling act and the Constitution of
 42 Arizona to be used for the support of state penal institutions.

Twenty-five per cent of land earnings and interest from the state charitable, penal and reformatory institutions land fund shall be distributed to the state department of corrections in compliance with the enabling act and the Constitution of Arizona to be used for the support of state penal institutions.

Before the expenditure of any state education fund for correctional education receipts in excess of \$429,900, the department of corrections shall report the intended use of the monies to the director of the joint legislative budget committee.

The department of corrections shall work with the department of public safety's gang and immigration intelligence team enforcement mission to combat gang activity. The department of corrections and the department of public safety shall report jointly to the joint legislative budget committee by December 1, 2008 on their collaborative efforts and procedures.

Sec. 6. DEPARTMENT OF ECONOMIC SECURITY

2008-09

Administration

FTE positions 302.2

Operating lump sum appropriation \$ 44,154,300

Fund sources:

State general fund \$ 34,605,500

Federal child care and development fund block grant 1,147,600

Federal temporary assistance for needy families block grant 6,023,900

Public assistance collections fund 408,100

Special administration fund 621,000

Spinal and head injuries trust fund 89,000

Statewide cost allocation plan fund 1,000,000

Federal Reed act grant 259,200

Finger imaging \$ 738,900

Fund sources:

State general fund \$ 461,400

Federal temporary assistance for needy families block grant 277,500

Attorney general legal services \$ 1,049,800

Fund sources:

State general fund \$ 755,700

Federal child care and development fund block grant 17,300

1	Federal temporary assistance for	
2	needy families block grant	167,900
3	Public assistance collections	
4	fund	108,900
5	Triagency disaster recovery	\$ 271,500
6	Fund sources:	
7	Risk management fund	\$ 271,500

8 In accordance with section 35-142.01, Arizona Revised Statutes, the
 9 department of economic security shall remit to the department of
 10 administration any monies received as reimbursement from the federal
 11 government or any other source for the operation of the department of
 12 economic security west building and any other building lease-purchased by the
 13 state of Arizona in which the department of economic security occupies space.
 14 The department of administration shall deposit these monies in the state
 15 general fund.

16 In accordance with section 38-654, Arizona Revised Statutes, the
 17 department of economic security shall transfer to the department of
 18 administration for deposit in the special employee health insurance trust
 19 fund any unexpended state general fund monies at the end of each fiscal year
 20 appropriated for employer health insurance contributions.

21	<u>Developmental disabilities</u>	
22	FTE positions	1,921.9
23	Operating lump sum appropriation	\$ 38,744,800
24	Fund sources:	
25	State general fund	\$ 16,013,700
26	Expenditure authority	22,731,100
27	Case management - Title XIX	\$ 42,630,900
28	Fund sources:	
29	State general fund	\$ 14,546,700
30	Expenditure authority	28,084,200
31	Home and community based	
32	services - Title XIX	\$629,873,200
33	Fund sources:	
34	State general fund	\$214,965,200
35	Expenditure authority	414,908,000
36	Institutional services - Title XIX	\$ 15,164,800
37	Fund sources:	
38	State general fund	\$ 5,174,600
39	Expenditure authority	9,990,200
40	Medical services	\$135,103,500

1	Fund sources:	
2	State general fund	\$ 46,100,700
3	Expenditure authority	89,002,800
4	Arizona training program at	
5	Coolidge - Title XIX	\$ 17,083,200
6	Fund sources:	
7	State general fund	\$ 5,829,200
8	Expenditure authority	11,254,000
9	Medicare clawback payments	\$ 2,206,600
10	Fund sources:	
11	State general fund	\$ 2,206,600
12	Case management - State-only	\$ 4,537,600
13	Fund sources:	
14	State general fund	\$ 4,537,600
15	Home and community based	
16	services - State-only	\$ 37,776,400
17	Fund sources:	
18	State general fund	\$ 35,873,900
19	Long-term care system fund	1,902,500
20	Institutional services - State-only	\$ 294,900
21	Fund sources:	
22	State general fund	\$ 294,900
23	Arizona training program at	
24	Coolidge - State-only	\$ 572,400
25	Fund sources:	
26	State general fund	\$ 572,400
27	State-funded long-term care	
28	services	\$ 26,383,200
29	Fund sources:	
30	State general fund	\$ 762,900
31	Long-term care system fund	25,620,300
32	Autism training and oversight	\$ 200,000
33	Fund sources:	
34	Tobacco tax and healthcare -	
35	health research account	\$ 200,000
36	Children's autism intensive	
37	behavioral treatment services	\$ 1,800,000
38	Fund sources:	
39	State general fund	\$ 1,800,000
40	Children's autism intensive early	
41	intervention services for toddlers	\$ 500,000
42	Fund sources:	
43	State general fund	\$ 500,000

1 Performance measures:

2 Per cent of consumer satisfaction with
 3 case management services 98
 4 Per cent of relatives and caregivers of
 5 consumers stating the services received
 6 meet the consumer's needs 95
 7 Per cent of relatives and caregivers satisfied
 8 with the providers of services received 95

9 It is the intent of the legislature that any available surplus monies
 10 for developmental disability programs be applied toward the waiting list,
 11 unless there are insufficient monies to annualize these costs in the
 12 subsequent year. The children's waiting list shall receive first priority.
 13 The amount appropriated for developmental disabilities shall be used to
 14 provide for services for nontitle XIX eligible clients. The amount shall not
 15 be used for other purposes, unless a transfer of monies is reviewed by the
 16 joint legislative budget committee.

17 The department of economic security shall report all new placements
 18 into a state-owned ICF-MR or the Arizona training program at Coolidge campus
 19 in fiscal year 2008-2009 to the president of the senate, the speaker of the
 20 house of representatives, the chairpersons of the senate and house of
 21 representatives appropriations committees and the director of the joint
 22 legislative budget committee and the reason why this placement, rather than a
 23 placement into a privately run facility for the developmentally disabled, was
 24 deemed as the most appropriate placement. The department shall also report
 25 if no new placements were made. This report shall be made available by July
 26 15, 2009.

27 The department shall report to the joint legislative budget committee
 28 by March 1 of each year on preliminary actuarial estimates of the capitation
 29 rate changes for the following fiscal year along with the reasons for the
 30 estimated changes. For any actuarial estimates that include a range, the
 31 total range from minimum to maximum shall be not more than two per cent.
 32 Before implementation of any changes in capitation rates for the long-term
 33 care program, the department of economic security shall report for review the
 34 expenditure plan to the joint legislative budget committee. Before the
 35 department implements any changes in policy affecting the amount,
 36 sufficiency, duration and scope of health care services and who may provide
 37 services, the department shall prepare a fiscal impact analysis on the
 38 potential effects of this change on the following year's capitation rates.
 39 If the fiscal analysis demonstrates that these changes will result in
 40 additional state costs of \$500,000 or greater for a given fiscal year, the
 41 department shall submit the policy changes for review by the joint
 42 legislative budget committee.

The appropriated amount provides funding for a fiscal year 2008-2009 capitation rate increase of 3.0 per cent above fiscal year 2007-2008 excluding salary, benefits, and other statewide adjustments. The department shall reallocate resources within its existing budget to pay for any capitation rate increases above 4.0 per cent excluding salary, benefits, and other statewide adjustments without supplemental funding.

Prior to the implementation of any developmentally disabled or long-term care statewide provider rate increases not already specifically authorized by the legislature, court mandates or changes to federal law, the department shall submit a report for review by the joint legislative budget committee. The report shall include, at a minimum, the estimated cost of the provider rate increase and the ongoing source of funding for the increase.

All monies in the long-term care system fund unexpended and unencumbered at the end of fiscal year 2008-2009 revert to the state general fund, subject to approval by the Arizona health care cost containment system administration.

Benefits and medical eligibility

FTE positions	575.6
Operating lump sum appropriation	\$ 34,230,200
Fund sources:	
State general fund	\$ 23,851,900
Federal temporary assistance	
for needy families block grant	10,378,300
Temporary assistance for	
needy families cash	
benefits	\$125,148,000
Fund sources:	
State general fund	\$ 45,850,800
Federal temporary assistance	
for needy families block	
grant	79,297,200
General assistance	\$ 2,060,800
Fund sources:	
State general fund	\$ 2,060,800
Tribal pass-through funding	\$ 4,288,700
Fund sources:	
State general fund	\$ 4,288,700
Tuberculosis control payments	\$ 32,200
Fund sources:	
State general fund	\$ 32,200
Document management	\$ 494,600

1 Fund sources:
 2 State general fund \$ 494,600
 3 Eligibility system upgrade \$ 963,300
 4 Fund sources:
 5 State general fund \$ 963,300
 6 Performance measures:
 7 Per cent of cash benefits issued timely 98.6
 8 Per cent of total cash benefits payments
 9 issued accurately 95.0
 10 Per cent of total food stamps payments
 11 issued accurately 96.0
 12 Per cent of clients satisfied with family
 13 assistance administration 90.0
 14 The operating lump sum appropriation may be expended on Arizona health
 15 care cost containment system eligibility determinations based on the results
 16 of the Arizona random moment sampling survey.
 17 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
 18 any transfer to or from the \$125,148,000 appropriated for temporary
 19 assistance for needy families cash benefits requires review by the joint
 20 legislative budget committee.
 21 Of the amount appropriated for temporary assistance for needy families
 22 cash benefits, \$500,000 reflects appropriation authority only to ensure
 23 sufficient cashflow to administer cash benefits for tribes operating their
 24 own welfare programs. The department shall notify the joint legislative
 25 budget committee and the governor's office of strategic planning and
 26 budgeting staff before the use of any of the \$500,000 appropriation
 27 authority.
 28 Child support enforcement
 29 FTE positions 863.8
 30 Operating lump sum appropriation \$ 48,729,300
 31 Fund sources:
 32 State general fund \$ 8,087,000
 33 Child support enforcement
 34 administration fund 11,310,400
 35 Expenditure authority 29,331,900
 36 Genetic testing \$ 360,000
 37 Fund sources:
 38 State general fund \$ 122,400
 39 Expenditure authority 237,600
 40 County participation \$ 6,845,200
 41 Fund sources:
 42 Child support enforcement
 43 administration fund \$ 1,384,100
 44 Expenditure authority 5,461,100
 45 Attorney general legal services \$ 9,922,500

1 Fund sources:
 2 State general fund \$ 910,600
 3 Child support enforcement
 4 administration fund 2,425,100
 5 Expenditure authority 6,586,800
 6 Performance measures:
 7 Total IV-D collections \$370,700,000
 8 Ratio of current IV-D support collected
 9 and distributed to current IV-D support
 10 due 50.4
 11 All state share of retained earnings, fees and federal incentives above
 12 \$15,119,600 received by the division of child support enforcement are
 13 appropriated for operating expenditures. New full-time equivalent positions
 14 may be authorized with the increased funding. The division of child support
 15 enforcement shall report the intended use of the monies to the president of
 16 the senate, the speaker of the house of representatives, the chairpersons of
 17 the senate and house of representatives appropriations committees and the
 18 director of the joint legislative budget committee and the director of the
 19 governor's office of strategic planning and budgeting.
 20 Aging and community services
 21 FTE positions 109.6
 22 Operating lump sum appropriation \$ 7,069,900
 23 Fund sources:
 24 State general fund \$ 6,822,400
 25 Federal temporary assistance
 26 for needy families block
 27 grant 247,500
 28 Adult services \$ 19,277,700
 29 Fund sources:
 30 State general fund \$ 19,277,700
 31 Community and emergency
 32 services \$ 5,424,900
 33 Fund sources:
 34 Federal temporary assistance
 35 for needy families block
 36 grant \$ 5,424,900
 37 Coordinated hunger \$ 2,014,600
 38 Fund sources:
 39 State general fund \$ 1,514,600
 40 Federal temporary assistance
 41 for needy families block
 42 grant 500,000
 43 Coordinated homeless \$ 2,804,900

1 Fund sources:
 2 State general fund \$ 1,155,400
 3 Federal temporary assistance
 4 for needy families block
 5 grant 1,649,500
 6 Domestic violence prevention \$ 16,647,400
 7 Fund sources:
 8 State general fund \$ 8,326,700
 9 Federal temporary assistance
 10 for needy families block
 11 grant 6,620,700
 12 Domestic violence shelter fund 1,700,000
 13 Community-based marriage and
 14 communication skills program
 15 fund deposit \$ 1,200,000
 16 Fund sources:
 17 State general fund \$ 1,200,000
 18 Lifespan respite care \$ 500,000
 19 Fund sources:
 20 State general fund \$ 500,000

21 Performance measures:
 22 Adult protective services investigation
 23 per cent rate 100

24 The department shall report on activities of food distribution efforts
 25 funded through the monies in the coordinated hunger line item to the joint
 26 legislative budget committee by March 15, 2009. The report shall demonstrate
 27 how the food was distributed and shall include letters from each
 28 participating food bank stating its satisfaction with the distribution and
 29 the department shall verify that food products have been distributed through
 30 regional food banks to all rural areas of the state.

31 All domestic violence shelter fund monies above \$1,700,000 received by
 32 the department of economic security are appropriated for the domestic
 33 violence prevention line item. The department of economic security shall
 34 report the intended use of the monies above \$1,700,000 to the joint
 35 legislative budget committee.

36 The department of economic security shall report to the joint
 37 legislative budget committee on the amount of state and federal monies
 38 available statewide for domestic violence funding by December 15, 2008. The
 39 report shall include, at a minimum, the amount of monies available and the
 40 state fiscal agent receiving those monies.

The department shall apply for the maximum allowable federal temporary assistance for needy families block grant funding in fiscal year 2008-2009 available to the state through a grant program to promote healthy marriages and responsible fatherhood. These monies shall be deposited in the community-based marriage and communication skills program fund established by section 41-2032, Arizona Revised Statutes, for at least the following purposes:

1. Marketing and advertising of marriage skills classes.
2. The community-based relationship skills high school pilot program.

Children, youth and families

FTE positions	1,535.5
Operating lump sum appropriation	\$ 91,800,800

Fund sources:

State general fund	\$ 61,447,000
Children and family services training program fund	209,600
Federal temporary assistance for needy families block grant	30,144,200

Adoption services	\$ 46,928,300
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Fund sources:

State general fund	\$ 36,242,200
Federal temporary assistance for needy families block grant	10,686,100

Adoption services - academic tutoring	\$ 300,000
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Fund sources:

State general fund	\$ 300,000
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Adoption services - family preservation projects	\$ 1,000,000
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Fund sources:

Federal temporary assistance for needy families block grant	\$ 1,000,000
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Attorney general legal services	\$ 12,273,900
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Fund sources:

State general fund	\$ 12,221,700
Federal temporary assistance for needy families block grant	52,200

Child abuse prevention	\$ 826,900
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1	Fund sources:	
2	Child abuse prevention fund	\$ 826,900
3	Children support services	\$ 62,282,400
4	Fund sources:	
5	State general fund	\$ 45,403,300
6	Child abuse prevention fund	750,000
7	Federal temporary assistance	
8	for needy families block	
9	grant	16,129,100
10	Comprehensive medical and dental	
11	program	\$ 2,057,000
12	Fund sources:	
13	State general fund	\$ 2,057,000
14	Child protective services appeals	\$ 732,900
15	Fund sources:	
16	State general fund	\$ 732,900
17	CPS emergency placement	\$ 5,186,500
18	Fund sources:	
19	State general fund	\$ 2,180,100
20	Federal temporary assistance	
21	for needy families block	
22	grant	3,006,400
23	Education and training vouchers	\$ 700,000
24	Fund sources:	
25	State general fund	\$ 700,000
26	Family builders program	\$ 5,200,000
27	Fund sources:	
28	Federal temporary assistance for	
29	needy families block grant	\$ 5,200,000
30	Foster care placement	\$ 23,362,600
31	Fund sources:	
32	State general fund	\$ 17,139,500
33	Federal temporary assistance for	
34	needy families block grant	6,223,100
35	Healthy families	\$ 13,750,000
36	Fund sources:	
37	State general fund	\$ 8,715,800
38	Federal temporary assistance for	
39	needy families block grant	5,034,200
40	Homeless youth intervention	\$ 400,000
41	Fund sources:	
42	Federal temporary assistance for	
43	needy families block grant	\$ 400,000
44	Independent living maintenance	\$ 3,136,000

1	Fund sources:	
2	State general fund	\$ 3,136,000
3	Intensive family services	\$ 1,985,600
4	Fund sources:	
5	State general fund	\$ 1,985,600
6	Joint substance abuse - AZ families	
7	F.I.R.S.T.	\$ 7,224,500
8	Fund sources:	
9	State general fund	\$ 5,224,500
10	Federal TANF block grant	2,000,000
11	Permanent guardianship subsidy	\$ 8,051,600
12	Fund sources:	
13	State general fund	\$ 7,192,300
14	Federal temporary assistance for	
15	needy families block grant	859,300
16	CPS residential placement	\$ 17,710,000
17	Fund sources:	
18	State general fund	\$ 6,543,400
19	Federal temporary assistance for	
20	needy families block grant	11,166,600
21	Performance measures:	
22	Per cent of newly hired CPS specialists	
23	completing training within 7 months	
24	of hire	100
25	Per cent of children in out-of-home care	
26	who have not returned to their families	
27	or been permanently placed elsewhere	
28	for more than 24 consecutive months	19
29	Per cent of CPS reports responded to by CPS	
30	staff	100
31	Per cent of CPS original dependencies	
32	cases where court denied or dismissed	<1
33	Per cent of office of administrative hearings	
34	where CPS case findings are affirmed	90
35	Per cent of CPS complaints reviewed by	
36	the office of the ombudsman-citizens	
37	aide where allegations are reported	
38	as valid by the ombudsman	13
39	Average number of days spent in shelter	
40	placements	15
41	Number of children in shelter care more	
42	than 21 days	0
43	Number of children under 3 in shelter care	0
44	Number of children under 6 in group homes	0

1 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
 2 any transfer to or from the amounts appropriated for children support
 3 services, CPS emergency placement, CPS residential placement or foster care
 4 placement requires review by the joint legislative budget committee.

5 Of the amounts appropriated for children support services, CPS
 6 emergency placement, CPS residential placement and foster care placement,
 7 \$22,613,100 is appropriated from the federal temporary assistance for needy
 8 families block grant to the social services block grant for deposit in the
 9 following line items in the following amounts:

10	Children support services	5,371,700
11	CPS emergency placement	2,333,700
12	CPS residential placement	9,833,300
13	Foster care placement	5,074,400

14 The department of economic security shall provide training to any new
 15 child protective services FTE positions before assigning to any of these
 16 employees any client caseload duties.

17 It is the intent of the legislature that the department of economic
 18 security use the funding in the division of children, youth and families to
 19 achieve a one hundred per cent investigation rate.

20 Employment and rehabilitation services

21	FTE positions	559.9
22	Operating lump sum appropriation	\$ 32,426,800
23	Fund sources:	
24	State general fund	\$ 9,847,000
25	Federal child care and development	
26	fund block grant	10,508,800
27	Federal temporary assistance for	
28	needy families block grant	5,897,400
29	Workforce investment act grant	2,282,600
30	Special administration fund	85,000
31	Spinal and head injuries trust	
32	fund	569,500
33	Federal Reed act grant	3,236,500

34 JOBS \$ 23,571,700

35 Fund sources:

36	State general fund	\$ 1,825,200
37	Federal temporary assistance for	
38	needy families block grant	18,246,500
39	Workforce investment act grant	2,000,000
40	Special administration fund	1,500,000
41	Day care subsidy	\$162,289,000

1	Fund sources:	
2	State general fund	\$ 84,482,900
3	Federal child care and	
4	development fund block grant	69,785,800
5	Federal temporary assistance for	
6	needy families block grant	8,020,300
7	Transitional child care	\$ 36,193,000
8	Fund sources:	
9	Federal child care and	
10	development fund block	
11	grant	\$ 36,193,000
12	Vocational rehabilitation	
13	services	\$ 5,419,100
14	Fund sources:	
15	State general fund	\$ 5,214,400
16	Spinal and head injuries	
17	trust fund	204,700
18	Independent living rehabilitation	
19	services	\$ 2,991,900
20	Fund sources:	
21	State general fund	\$ 1,284,200
22	Spinal and head injuries trust	
23	fund	1,707,700
24	Summer youth employment and training	\$ 1,250,000
25	Fund sources:	
26	State general fund	\$ 1,250,000
27	Workforce investment act - local	
28	governments	\$ 48,040,600
29	Fund sources:	
30	Workforce investment act grant	\$ 48,040,600
31	Workforce investment act -	
32	discretionary	\$ 3,614,000
33	Fund sources:	
34	Workforce investment act grant	\$ 3,614,000
35	Performance measures:	
36	Number of TANF recipients who obtained	
37	employment	17,000
38	Per cent of customer satisfaction with	
39	child care	95.0
40	Vocational rehabilitation individuals	
41	successfully rehabilitated	4,000

Of the \$162,289,000 appropriated for day care subsidy, \$115,019,900 is for a program in which the upper income limit is no more than one hundred sixty-five per cent of the federal poverty level. This provision shall not be construed to impose a duty on an officer, agent or employee of the state to discharge a responsibility or to create any right in a person or group if the discharge or right would require an expenditure of state monies in excess of the \$115,019,900 appropriation.

The amounts appropriated for day care subsidy and transitional child care shall be used exclusively for child care costs unless a transfer of monies is reviewed by the joint legislative budget committee. Monies shall not be used from these appropriated amounts for any other expenses of the department of economic security unless a transfer of monies is reviewed by the joint legislative budget committee.

Monies in the child care subsidy and transitional child care line items shall be used to provide services only to residents of the state of Arizona who are citizens or legal residents of the United States or who are otherwise lawfully present in the United States.

All spinal and head injuries trust fund receipts received by the department of economic security in excess of \$2,481,900 are appropriated to the independent living rehabilitation services line item. Before the expenditure of any spinal and head injuries trust fund receipts in excess of \$2,481,900, the department of economic security shall submit the intended use of the monies for review by the joint legislative budget committee.

All federal workforce investment act funds for local governments that are received by the state in excess of \$48,040,600 are appropriated to the workforce investment act - local governments line item. Excess monies may not be spent until a proposed expenditure plan for the excess monies has been reviewed by the joint legislative budget committee.

Agencywide lump sum reduction	\$ (64,707,800)
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Fund sources:

State general fund	\$ (64,707,800)
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Performance measures:

Agencywide customer satisfaction rating

(Scale 1-5)	3.8
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The department of economic security agencywide lump sum reduction may not be taken against the appropriation made for child protective services.

The above appropriations are in addition to funds granted to the state by the federal government for the same purposes but shall be deemed to include the sums deposited in the state treasury to the credit of the department of economic security pursuant to section 42-5029, Arizona Revised Statutes.

1 A monthly report comparing total expenditures for the month and
 2 year-to-date as compared to prior year totals shall be forwarded to the
 3 president of the senate, the speaker of the house of representatives, the
 4 chairpersons of the senate and house of representatives appropriations
 5 committees and the director of the joint legislative budget committee by the
 6 thirtieth of the following month. The report shall include an estimate of
 7 (1) potential shortfalls in entitlement programs, (2) potential federal and
 8 other funds, such as the statewide assessment for indirect costs, and any
 9 projected surplus in state supported programs that may be available to offset
 10 these shortfalls and a plan, if necessary, for eliminating any shortfall
 11 without a supplemental appropriation, (3) shortfalls resulting from new
 12 leases or renegotiations of current leases and associated costs, and (4)
 13 total expenditure authority of the child support enforcement program for the
 14 month and year-to-date as compared to prior year totals.

15 Sec. 7. STATE BOARD OF EDUCATION AND SUPERINTENDENT OF PUBLIC INSTRUCTION
 16 2008-09

17 Administration

18 FTE positions 72.5
 19 Lump sum appropriation \$ 6,705,300

20 Fund sources:

21 State general fund \$ 6,705,300

22 The lump sum appropriation includes \$291,100 and 4 FTE positions for
 23 average daily membership auditing and \$200,000 and 2 FTE positions for
 24 information technology security services.

25 Formula programs

26 FTE positions 29.0
 27 Operating lump sum appropriation \$ 2,198,700
 28 Basic state aid \$3,609,288,700

29 Fund sources:

30 State general fund \$3,564,068,000
 31 Permanent state school fund 45,220,700

32 The above appropriation provides basic state support to school
 33 districts for maintenance and operations funding as provided by section
 34 15-973, Arizona Revised Statutes, and includes an estimated \$45,220,700 in
 35 expendable income derived from the permanent state school fund and from state
 36 trust lands pursuant to section 37-521, subsection B, Arizona Revised
 37 Statutes, for fiscal year 2008-2009.

38 Receipts derived from the permanent state school fund and any other
 39 nonstate general fund revenue source that is dedicated to fund basic state
 40 aid will be expended, whenever possible, before expenditure of state general
 41 fund monies.

1 Except as required by section 37-521, Arizona Revised Statutes, all
 2 monies received during the fiscal year from national forests, interest
 3 collected on deferred payments on the purchase of state lands, the income
 4 from the investment of permanent funds as prescribed by the enabling act and
 5 the Constitution of Arizona and all monies received by the superintendent of
 6 public instruction from whatever source, except monies received pursuant to
 7 sections 15-237 and 15-531, Arizona Revised Statutes, when paid into the
 8 state treasury are appropriated for apportionment to the various counties in
 9 accordance with law. An expenditure shall not be made except as specifically
 10 authorized above.

11	Additional state aid	\$ 404,095,500
12	Special education fund	35,237,700
13	Other state aid to districts	<u>983,900</u>
14	Total - formula programs	\$4,051,804,500
15	Fund sources:	
16	State general fund	\$4,006,583,800
17	Permanent state school fund	45,220,700
18	<u>Non-formula programs</u>	
19	FTE positions	149.4
20	Operating lump sum appropriation	\$ 1,766,100
21	Achievement testing	10,246,200

22 Before making any changes to the achievement testing program that will
 23 increase program costs, the state board of education shall report the
 24 estimated fiscal impact of those changes to the joint legislative budget
 25 committee.

26	AIMS intervention; dropout	
27	prevention	5,550,000
28	School accountability	4,699,100
29	Adult education and GED	4,477,900
30	Chemical abuse	826,300
31	English learner administration	5,025,500

32 The appropriated amount is to be used by the department of education to
 33 provide English language acquisition services for the purposes of section
 34 15-756.07, Arizona Revised Statutes, and for the costs of providing English
 35 language proficiency assessments, scoring and ancillary materials as
 36 prescribed by the department of education to school districts and charter
 37 schools for the purposes of title 15, chapter 7, article 3.1, Arizona Revised
 38 Statutes. The department of education may use a portion of the appropriated
 39 amount to hire staff or contract with a third party to carry out the purposes
 40 of section 15-756.07, Arizona Revised Statutes. Notwithstanding section
 41 41-192, Arizona Revised Statutes, the superintendent of public instruction
 42 also may use a portion of the appropriated amount to contract with one or
 43 more private attorneys to provide legal services in connection with the case
 44 of Flores v. State of Arizona, No. CIV 92-596-TUC-RCC.

1	Compensatory instruction fund	
2	deposit	10,000,000
3	Extended school year	500,000
4	Family literacy	1,011,300
5	Gifted support	3,385,300
6	School safety program	6,728,300
7	Small pass-through programs	681,600

8 The appropriated amount includes \$50,000 for the academic contest fund,
 9 \$82,400 for academic decathlon, \$50,000 for Arizona geographic alliance,
 10 \$40,000 for the Arizona humanities council, \$25,200 for Arizona principal's
 11 academy, \$234,000 for Arizona school service through education technology,
 12 \$50,000 for project citizen and \$50,000 for the economic academic council and
 13 \$100,000 for civics training.

14	State block grant for early	
15	childhood education	19,457,100
16	State block grant for vocational	
17	education	11,467,200
18	Vocational education extended year	600,000
19	Disabled pupil scholarships	2,500,000
20	Displaced pupils choice grant program	2,500,000
21	Teacher certification	1,994,000

22 Monies collected by the department of education for teacher
 23 certification fees, as authorized by section 15-531, paragraphs 1 and 2,
 24 Arizona Revised Statutes, shall be deposited in a teacher certification fund
 25 for use in funding costs of the teacher certification program.

26	Parental choice for reading success	1,000,000
27	Optional performance incentive	
28	programs	120,000
29	Teacher training	1,000,000

30 The appropriated amount for the teacher training line item is for the
 31 department of education to distribute to the state board of education, which
 32 will distribute the monies to the Arizona K-12 center for program
 33 implementation and mentor training for the Arizona master teacher program as
 34 prescribed by the state board of education.

35	Alternative teacher development	
36	program	<u>\$ 700,000</u>
37	Total - nonformula programs	\$ 96,235,900
38	Fund sources:	
39	State general fund	\$ 87,024,200
40	Proposition 301 fund	7,000,000
41	Teacher certification fund	2,211,700

1	Performance measures:	
2	Per cent of students tested who perform	
3	at or above the national norm on the	
4	norm-referenced test (grade 2)	
5	-- reading	50
6	-- math	55
7	Per cent of students tested who perform	
8	at or above the national norm on the	
9	norm-referenced test (grade 9)	
10	-- reading	56
11	-- math	56
12	Per cent of schools with at least 75% of	
13	students meeting or exceeding standards in:	
14	-- reading	42
15	-- writing	56
16	-- math	42
17	Per cent of Arizona high school students	
18	who enter grade 9 and graduate within	
19	4 years	76
20	Per cent of students in grade 3 meeting	
21	or exceeding state academic standards in:	
22	-- reading	80
23	-- writing	84
24	-- math	80
25	Per cent of students in grade 5 meeting	
26	or exceeding state academic standards in:	
27	-- reading	77
28	-- writing	75
29	-- math	77
30	Per cent of students in grade 8 meeting	
31	or exceeding state academic standards in:	
32	-- reading	73
33	-- writing	86
34	-- math	70
35	Per cent of students in grade 12 meeting	
36	or exceeding state academic standards in:	
37	-- reading	41
38	-- writing	40
39	-- math	27
40	Per cent of students tested:	
41	-- norm-referenced test (grades 2 and 9)	96
42	-- AIMS	98

1 Per cent of Arizona schools receiving an
 2 underperforming label 4
 3 Maximum number of days to process
 4 complete certification applications 8
 5 Per cent of customers satisfied with
 6 certification services 92
 7 State board of education
 8 FTE positions 8.0
 9 Operating lump sum appropriation \$ 1,076,100
 10 Fund sources:
 11 State general fund \$ 692,500
 12 Teacher certification fund 383,600
 13 Performance measures:
 14 Per cent of parents who rate "A+" the public
 15 school that their oldest school-age child
 16 attends 9.0
 17 The appropriated amount includes \$100,000 for administering a survey to
 18 a random sample of parents of children in public schools statewide. The
 19 survey shall consist of the following question: "Students are given the
 20 grades A+, A, B, C, D and Fail to denote the quality of their work. Using
 21 the same A+, A, B, C, D and Fail scale, what grade would you give the school
 22 that your oldest child attends?"
 23 The state board of education program may establish its own strategic
 24 plan separate from that of the department of education and based on its own
 25 separate mission, goals and performance measures.
 26 Agencywide lump sum reduction \$ (6,000,000)
 27 Fund sources:
 28 State general fund \$ (6,000,000)
 29 Total appropriation - state board of
 30 education and superintendent
 31 of public instruction \$4,149,821,800
 32 Fund sources:
 33 State general fund \$4,095,005,800
 34 Proposition 301 fund 7,000,000
 35 Permanent state school fund 45,220,700
 36 Teacher certification fund 2,595,300
 37 The department shall provide an updated report on its budget status
 38 every two months for the first half of each fiscal year and every month
 39 thereafter to the president of the senate, the speaker of the house of
 40 representatives, the chairpersons of the senate and house of representatives
 41 appropriations committees, the director of the joint legislative budget
 42 committee and the director of the governor's office of strategic planning and
 43 budgeting. Each report shall include, at a minimum, the department's current
 44 funding surplus or shortfall projections for basic state aid and other major

1 formula-based programs and shall be due thirty days after the end of the
2 applicable reporting period.

3 Within fifteen days of each apportionment of state aid that occurs
4 pursuant to section 15-973, subsection B, Arizona Revised Statutes, the
5 department shall provide the joint legislative budget committee staff and the
6 governor's office of strategic planning and budgeting with an electronic
7 spreadsheet or database copy of data included in the apor55-1 report for that
8 apportionment for each school district and the char55-1 report for that
9 apportionment for each charter school.

10 Sec. 8. DEPARTMENT OF FINANCIAL INSTITUTIONS

	<u>2008-09</u>
FTE positions	57.1
Lump sum appropriation	\$ 3,547,600
Fund sources:	
State general fund	\$ 3,547,600
Performance measures:	
Per cent of examinations reports mailed within 25 days of examiner's completion of exam procedures	78.0
Per cent of license applications approved within 45 days of receipt	65.0
Per cent of examinations receiving satisfactory rating	91.0
Average days from receipt to resolution of regular complaints	100.0
Per cent of complainants indicating they received "good" or "better" service when filing a complaint	75.0

29 The department of financial institutions shall assess and set fees to
30 ensure that monies deposited in the state general fund will equal or exceed
31 its expenditure from the state general fund.

32 Sec. 9. DEPARTMENT OF HEALTH SERVICES

	<u>2008-09</u>
<u>Administration</u>	
FTE positions	432.8
Operating lump sum appropriation	\$ 17,658,300
Fund sources:	
State general fund	\$ 14,876,300
Capital outlay stabilization fund	1,578,100
Emergency medical services operating fund	203,900
Indirect cost fund	1,000,000
Assurance and licensure	\$ 12,153,100

1	Fund sources:	
2	State general fund	\$ 9,992,500
3	Federal child care and development	
4	fund block grant	829,200
5	Hearing and speech professionals	
6	fund	343,200
7	Nursing care institution resident	
8	protection revolving fund	38,000
9	Expenditure authority	950,200
10	Attorney general legal services	\$ 444,900
11	Fund sources:	
12	State general fund	\$ 394,900
13	Emergency medical services	
14	operating fund	50,000
15	Newborn screening program fund -	
16	indirect costs	\$ 478,600
17	Fund sources:	
18	Newborn screening program fund	\$ 478,600
19	Indirect cost fund	\$ 8,053,000
20	Fund sources:	
21	Indirect cost fund	\$ 8,053,000
22	Performance measures:	
23	Per cent of relicensure surveys completed	
24	on time:	
25	Child care facilities	97
26	Health care facilities	85
27	Per cent of complaint investigations initiated	
28	later than investigative guidelines:	
29	Child care facilities	0
30	Health care facilities	30
31	<u>Public health</u>	
32	FTE positions	248.1
33	Operating lump sum appropriation	\$ 6,660,500
34	Fund sources:	
35	State general fund	\$ 5,823,200
36	Emergency medical services	
37	operating fund	837,300
38	AIDS reporting and surveillance	\$ 1,125,000
39	Fund sources:	
40	State general fund	\$ 1,125,000
41	Alzheimer's disease research	\$ 4,000,000

1	Fund sources:	
2	State general fund	\$ 3,000,000
3	Tobacco tax and health care	
4	fund - health research account	1,000,000
5	Arizona statewide immunization	
6	information system	\$ 517,500
7	Fund sources:	
8	State general fund	\$ 517,500
9	Community health centers	\$ 14,981,300
10	Fund sources:	
11	State general fund	\$ 10,481,300
12	Tobacco tax and health care	
13	fund - medically needy	
14	account	4,500,000
15	County public health	\$ 200,000
16	Fund sources:	
17	State general fund	\$ 200,000
18	County tuberculosis provider	
19	care and control	\$ 1,410,500
20	Fund sources:	
21	State general fund	\$ 1,410,500
22	Diabetes prevention and control	\$ 400,000
23	Fund sources:	
24	State general fund	\$ 400,000
25	Direct grants	\$ 460,300
26	Fund sources:	
27	State general fund	\$ 460,300
28	EMS operations	\$ 3,263,900
29	Fund sources:	
30	Emergency medical services	
31	operating fund	\$ 3,263,900
32	Hepatitis C surveillance	\$ 409,300
33	Fund sources:	
34	State general fund	\$ 409,300
35	Kidney program	\$ 50,500
36	Fund sources:	
37	State general fund	\$ 50,500
38	Laboratory services	\$ 5,334,300
39	Fund sources:	
40	State general fund	\$ 4,357,900
41	Environmental laboratory licensure	
42	revolving fund	976,400
43	Loan repayment	\$ 250,000

1	Fund sources:	
2	State general fund	\$ 100,000
3	Emergency medical services	
4	operating fund	150,000
5	Poison control center funding	\$ 925,000
6	Fund sources:	
7	State general fund	\$ 925,000
8	Reimbursement to counties	\$ 67,900
9	Fund sources:	
10	State general fund	\$ 67,900
11	Renal and nonrenal disease management	\$ 468,000
12	Fund sources:	
13	State general fund	\$ 468,000
14	Scorpion antivenom	\$ 150,000
15	Fund sources:	
16	State general fund	\$ 150,000
17	STD control subventions	\$ 26,300
18	Fund sources:	
19	State general fund	\$ 26,300
20	Telemedicine	\$ 260,000
21	Fund sources:	
22	State general fund	\$ 260,000
23	Teratogen program	\$ 60,000
24	Fund sources:	
25	State general fund	\$ 60,000
26	Trauma advisory board	\$ 405,400
27	Fund sources:	
28	Emergency medical services	
29	operating fund	\$ 405,400
30	University of Arizona poison	
31	control center funding	\$ 1,275,000
32	Fund sources:	
33	State general fund	\$ 1,275,000
34	Valley fever	\$ 284,700
35	Fund sources:	
36	State general fund	\$ 284,700
37	Vaccines	\$ 10,410,400
38	Fund sources:	
39	State general fund	\$ 10,410,400
40	Vital records maintenance	\$ 502,200
41	Fund sources:	
42	Vital records electronic	
43	systems fund	\$ 502,200

1 Performance measures:

2 Immunization rate among two-year-old	
3 children	84
4 Per cent of high school youth who smoked	
5 in the last month	18
6 Customer waiting time in vital records	
7 lobby (in minutes)	13

8 Of the \$14,981,300 appropriated for community health centers, at least
 9 \$564,000 shall be distributed to Yavapai county for county primary care
 10 programs.

11 The department of health services may use up to four per cent of the
 12 amounts appropriated for renal and nonrenal disease management, community
 13 health centers and telemedicine for the administrative costs to implement
 14 each program.

15 Monies appropriated for AIDS reporting and surveillance and renal and
 16 nonrenal disease management shall be used to provide services only to
 17 residents of the state of Arizona who are citizens or legal residents of the
 18 United States or who are otherwise lawfully present in the United States.

19 The department of health services shall report to the joint legislative
 20 budget committee by February 1, 2009 on the amount of federal monies received
 21 for fiscal year 2008-2009 for the 317 vaccine program.

22 The appropriation for direct grants is to provide for local health work
 23 and a portion of the cost of employing one public health nurse and one
 24 sanitarian in counties with populations of less than 500,000 persons. The
 25 monies are to be divided equally among eligible counties on a nonmatching
 26 basis. All monies that are received by a county under this appropriation and
 27 that are not used for the prescribed purposes revert to the state general
 28 fund.

29 The \$67,900 appropriated for reimbursement to counties is to provide
 30 matching monies to counties with populations of less than five hundred
 31 thousand persons for local health work on an equal matching basis and shall
 32 be distributed based on the proportion of funding each county received in
 33 fiscal year 2002-2003.

34 The \$200,000 appropriated for county public health shall be distributed
 35 as follows to the following counties to reimburse local health departments
 36 pursuant to section 36-189, Arizona Revised Statutes: Coconino, \$36,220;
 37 Gila, \$5,440; Mohave, \$30,780; Yavapai, \$25,820; Yuma, \$101,740.

38 The department of health services shall require the screening of
 39 potential recipients of vaccines for private insurance coverage, eligibility
 40 for the federal vaccines for children program and eligibility for the state
 41 children's health insurance program. This requirement applies to vaccines
 42 purchased with state monies appropriated for the vaccines line item for both
 43 the federal 317 program and the state-only immunization program.

1 In allocating its lump sum reduction, the department of health services
 2 shall limit its allocation to the Alzheimer's disease research line item to
 3 no more than 26.7% of the state general fund appropriation for the
 4 Alzheimer's disease research line item.

5 The department of health services shall distribute a pamphlet on
 6 umbilical cord blood pursuant to section 36-112, Arizona Revised Statutes.
 7 The department shall distribute the pamphlet free of charge to physicians and
 8 health care institutions on request and shall make the pamphlet available on
 9 its website.

10 Family health

11 FTE positions 96.8

12 Operating lump sum appropriation \$ 6,002,700

13 Fund sources:

14 State general fund \$ 3,821,700

15 Expenditure authority 2,181,000

16 Abstinence funding \$ 1,500,000

17 Fund sources:

18 State general fund \$ 1,500,000

19 Adult cystic fibrosis \$ 105,200

20 Fund sources:

21 State general fund \$ 105,200

22 Adult sickle cell anemia \$ 33,000

23 Fund sources:

24 State general fund \$ 33,000

25 AHCCCS - children's rehabilitative
 26 services \$ 81,151,300

27 Fund sources:

28 State general fund \$ 27,688,800

29 Expenditure authority 53,462,500

30 Breast and cervical cancer
 31 screening \$ 1,348,600

32 Fund sources:

33 State general fund \$ 1,348,600

34 Child fatality review team \$ 100,000

35 Fund sources:

36 Child fatality review fund \$ 100,000

37 Children's rehabilitative
 38 services \$ 3,587,000

39 Fund sources:

40 State general fund \$ 3,587,000

41 County nutrition services \$ 330,300

42 Fund sources:

43 State general fund \$ 330,300

44 County prenatal services grant \$ 1,148,500

1	Fund sources:	
2	State general fund	\$ 1,148,500
3	Folic acid	\$ 400,000
4	Fund sources:	
5	Tobacco tax and health care fund -	
6	medically needy account	\$ 400,000
7	Health start	\$ 226,600
8	Fund sources:	
9	State general fund	\$ 226,600
10	High risk perinatal services	\$ 5,430,600
11	Fund sources:	
12	State general fund	\$ 4,980,600
13	Emergency medical services	
14	operating fund	450,000
15	Medicaid special exemption	
16	payments	\$ 1,803,400
17	Fund sources:	
18	State general fund	\$ 615,300
19	Expenditure authority	1,188,100
20	Modular dental buildings	\$ 200,000
21	Fund sources:	
22	State general fund	\$ 200,000
23	Newborn screening program	\$ 5,690,000
24	Fund sources:	
25	Newborn screening program fund	\$ 5,690,000
26	Senior food program	\$ 600,000
27	Fund sources:	
28	State general fund	\$ 600,000
29	Women's services	\$ 501,500
30	Fund sources:	
31	State general fund	\$ 501,500

32 Performance measures:

33	Number of newborns screened under newborn	
34	screening program	107,214

35 The amounts appropriated for children's rehabilitative services and for
 36 AHCCCS - children's rehabilitative services are intended to cover all costs
 37 in full for contracts for the provision of services to clients, unless a
 38 transfer of monies is reviewed by the joint legislative budget committee.

39 The department of health services may transfer up to \$350,000 in
 40 revenues from the indirect cost fund to the Arizona health care cost
 41 containment system administration for the purpose of meeting indirect cost
 42 state match requirements related to AHCCCS - children's rehabilitative
 43 services program.

1 Of the \$5,430,600 appropriated for high risk perinatal services
 2 \$583,000 shall be distributed to counties.

3 Monies in the women's services line item shall be used to provide
 4 \$20,000 in individual grants to nonprofit agencies whose primary function is
 5 to assist pregnant women in seeking alternatives to abortion. Grant monies
 6 shall be used to provide medically accurate services and programs related to
 7 pregnancy and up to twelve months after birth. Grant monies shall not be
 8 used for abortion or abortion referral services or granted to entities that
 9 promote, refer or perform abortions. The department may use up to ten per
 10 cent of monies appropriated to this line item for any associated
 11 administrative costs.

12 Behavioral health

13 FTE positions 166.0

14 Operating lump sum appropriation \$ 9,592,700

15 Fund sources:

16 State general fund \$ 4,528,800

17 Expenditure authority 5,063,900

18 Arnold v. Sarn \$ 37,153,100

19 Fund sources:

20 State general fund \$ 27,500,000

21 Expenditure authority 9,653,100

22 Children's behavioral health

23 services \$ 9,351,800

24 Fund sources:

25 State general fund \$ 9,351,800

26 Children's behavioral health state

27 match for title XIX \$358,971,200

28 Fund sources:

29 State general fund \$122,432,700

30 Expenditure authority 236,538,500

31 Court monitoring \$ 197,500

32 Fund sources:

33 State general fund \$ 197,500

34 Dual eligible part D copay subsidy \$ 802,600

35 Fund sources:

36 State general fund \$ 802,600

37 Medicaid special exemption

38 payments \$ 20,423,900

39 Fund sources:

40 State general fund \$ 6,969,100

41 Expenditure authority 13,454,800

42 Medicare clawback payments \$ 10,718,100

1	Fund sources:	
2	State general fund	\$ 10,718,100
3	Mental health and substance abuse	
4	state match for title XIX	\$105,892,800
5	Fund sources:	
6	State general fund	\$ 36,133,300
7	Expenditure authority	69,759,500
8	Mental health nontitle XIX	\$ 2,447,300
9	Fund sources:	
10	State general fund	\$ 2,447,300
11	Proposition 204 - administration	\$ 6,534,800
12	Fund sources:	
13	State general fund	\$ 2,130,200
14	Expenditure authority	4,404,600
15	Proposition 204 - children's	
16	behavioral health services	\$ 4,532,100
17	Fund sources:	
18	State general fund	\$ 1,546,500
19	Expenditure authority	2,985,600
20	Proposition 204 - general mental	
21	health and substance abuse	\$108,329,900
22	Fund sources:	
23	State general fund	\$ 36,964,900
24	Expenditure authority	71,365,000
25	Proposition 204 - seriously	
26	mentally ill services	\$208,954,800
27	Fund sources:	
28	State general fund	\$ 71,300,600
29	Expenditure authority	137,654,200
30	Seriously emotionally handicapped	
31	children	\$ 500,000
32	Fund sources:	
33	State general fund	\$ 500,000
34	Seriously mentally ill nontitle	
35	XIX	\$ 61,116,700
36	Fund sources:	
37	State general fund	\$ 30,691,900
38	Tobacco tax and health care	
39	fund-medically needy account	30,424,800
40	Seriously mentally ill state match	
41	for title XIX	\$201,129,500

1	Fund sources:	
2	State general fund	\$ 68,585,400
3	Expenditure authority	132,544,100
4	Substance abuse nontitle XIX	\$ 14,635,400
5	Fund sources:	
6	State general fund	\$ 12,135,400
7	Substance abuse services fund	2,500,000
8	Youth methamphetamine prevention	
9	program	\$ 500,000
10	Fund sources:	
11	State general fund	\$ 500,000
12	Crisis intervention training grants	\$ 250,000
13	Fund sources:	
14	State general fund	\$ 250,000
15	Contract compliance	\$ 7,296,500
16	Fund sources:	
17	State general fund	\$ 2,461,100
18	Expenditure authority	4,835,400

19	Performance measures:	
20	Per cent of RBHA title XIX clients	
21	satisfied with services	90
22	Per cent of title XIX population that is	
23	enrolled in a behavioral health service	12

24 The amount appropriated for children's behavioral health services shall
 25 be used to provide services for nontitle XIX eligible children. The amount
 26 shall not be used to pay for either federally or nonfederally reimbursed
 27 services for title XIX eligible children, unless a transfer of monies is
 28 reviewed by the joint legislative budget committee.

29 It is the intent of the legislature that the total amount available in
 30 the Arnold v. Sarn line item be used for the population covered by the Arnold
 31 v. Sarn lawsuit in counties with a population of two million or more persons
 32 and for seriously mentally ill persons that meet the same criteria as those
 33 covered by the Arnold v. Sarn lawsuit in counties with populations of less
 34 than two million persons.

35 It is the intent of the legislature that the per cent attributable to
 36 administration/profit for the regional behavioral health authority in
 37 Maricopa county is nine per cent of the overall capitation rate.

38 The department of health services shall report to the joint legislative
 39 budget committee thirty days after the end of each calendar quarter on the
 40 progress the department is making toward settling the Arnold v. Sarn lawsuit.
 41 The report shall include at a minimum the department's progress towards
 42 meeting the exit criteria and whether the department is in compliance with
 43 the exit criteria schedule.

Monies appropriated for youth methamphetamine prevention programs shall be distributed to a statewide alliance of community-based organizations with a proven track record in providing substance abuse prevention programming to children. Programs must serve children in rural, urban and Indian communities and military bases in Arizona. The department of health services shall submit a summary of the reports received from the organizations to the governor, the president of the senate and the speaker of the house of representatives and the joint legislative budget committee for fiscal year 2008-2009 by August 31, 2009.

The \$250,000 appropriation for crisis intervention training grants shall be used for training and community coordination costs, with input from stakeholders from the community, to train law enforcement agencies and first responders in best practices in the treatment of individuals with mental illness. Grant monies shall be used by recipients to supplement, and not supplant, existing funding for this purpose. Monies in the crisis intervention training grants line item are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations through fiscal year 2009-2010.

<u>Arizona state hospital</u>		
FTE positions		877.7
Operating lump sum appropriation	\$	56,984,000
Fund sources:		
State general fund	\$	50,758,500
Arizona state hospital fund		4,901,900
Arizona state hospital land earnings fund		1,323,600
Community placement treatment	\$	6,704,800
Fund sources:		
State general fund	\$	5,574,100
Arizona state hospital fund		1,130,700
Sexually violent persons	\$	11,628,100
Fund sources:		
State general fund	\$	11,628,100
Electronic medical records	\$	300,000
Fund sources:		
State general fund	\$	300,000
Performance measures:		
Per cent of adult clients successfully placed in community who return for another stay within one year of discharge		6.0
Agencywide lump sum reduction	\$	(35,061,600)
Fund sources:		
State general fund	\$	(35,061,600)

1 The department shall report to the joint legislative budget committee
2 by March 1 of each year on preliminary actuarial estimates of the capitation
3 rate changes for the following fiscal year along with the reasons for the
4 estimated changes. For any actuarial estimates that include a range, the
5 total range from minimum to maximum shall be no more than two per cent.
6 Before implementation of any changes in capitation rates for the
7 AHCCCS - children's rehabilitative services line item and any title XIX
8 behavioral health line items, the department of health services shall report
9 its expenditure plan for review by the joint legislative budget committee.
10 Before the department implements any changes in policy affecting the amount,
11 sufficiency, duration and scope of health care services and who may provide
12 services, the department shall prepare a fiscal impact analysis on the
13 potential effects of this change on the following year's capitation rates.
14 If the fiscal analysis demonstrates that these changes will result in
15 additional state costs of \$500,000 or greater for a given fiscal year, the
16 department shall submit the policy changes for review by the joint
17 legislative budget committee.

18 In addition to the appropriation for the department of health services,
19 earnings on state lands and interest on the investment of the permanent land
20 funds are appropriated to the state hospital in compliance with the enabling
21 act and the Constitution of Arizona.

22 A monthly report comparing total expenditures for the month and
23 year-to-date as compared to prior year totals shall be forwarded to the
24 president of the senate, the speaker of the house of representatives, the
25 chairpersons of the senate and house of representatives appropriations
26 committees and the director of the joint legislative budget committee by the
27 thirtieth of the following month. The report shall include an estimate of
28 (1) potential shortfalls in programs, (2) potential federal and other funds,
29 such as the statewide assessment for indirect costs, that may be available to
30 offset these shortfalls, and a plan, if necessary, for eliminating any
31 shortfall without a supplemental appropriation, and (3) total expenditure
32 authority of the month and year-to-date for seriously mentally ill state
33 match for title XIX, seriously mentally ill nontitle XIX, children's
34 behavioral health services, children's behavioral health state match for
35 title XIX, mental health nontitle XIX, substance abuse nontitle XIX,
36 seriously emotionally handicapped children and children's rehabilitative
37 services.

38 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
39 any transfer to or from the amounts appropriated for seriously mentally ill
40 state match for title XIX, seriously mentally ill nontitle XIX,
41 Arnold v. Sarn, vital records maintenance, folic acid, children's behavioral
42 health services, children's behavioral health state match for title XIX,
43 mental health nontitle XIX, substance abuse nontitle XIX, mental health and
44 substance abuse state match for title XIX, seriously emotionally handicapped
45 children, children's rehabilitative services, AHCCCS - children's

rehabilitative services, adult cystic fibrosis, adult sickle cell anemia, high risk perinatal services, county prenatal services grant, community placement treatment, dual eligible copay subsidy, sexually violent persons, county tuberculosis provider care and control, kidney program, county nutrition services, community health centers, vaccines, renal and nonrenal disease management, AIDS reporting and surveillance, telemedicine, university of Arizona poison center funding, poison control center funding, and women's services shall require review by the joint legislative budget committee. The department may transfer monies between the amounts appropriated for proposition 204 children's behavioral health services, proposition 204 seriously mentally ill services and proposition 204 general mental health and substance abuse without review by the joint legislative budget committee but may not transfer monies to and from these line items to any other line item except as provided above without review by the joint legislative budget committee. The amounts appropriated for these items shall be used exclusively for contracts for the provision of services to clients unless a transfer of monies is reviewed by the joint legislative budget committee or unless otherwise permitted to be expended for administrative costs as specified in this act. Monies shall not be used from these appropriated amounts for any other expenses of the department of health services, unless a transfer of monies is reviewed by the joint legislative budget committee.

Sec. 10. ARIZONA JUDICIARY

	<u>2008-09</u>
<u>Supreme court</u>	
FTE positions	194.0
Operating lump sum appropriation	\$ 16,854,600
Automation	12,420,400
Case and cash management system	1,517,300
County reimbursements	208,800
Court appointed special advocate	3,558,000
Domestic relations	586,400
Foster care review board	2,429,800
Commission on judicial conduct	436,800
Judicial nominations and	
performance review	323,200
Model court	497,300
State aid	<u>6,054,300</u>
Total appropriation - supreme court	\$ 44,886,900
Fund sources:	
State general fund	\$ 17,426,600
Confidential intermediary and	
fiduciary fund	488,900
Court appointed special advocate	
fund	3,456,000

1	Criminal justice enhancement fund	3,068,200
2	Defensive driving school fund	5,419,300
3	Judicial collection enhancement	
4	fund	12,082,000
5	State aid to the courts fund	2,945,900

6 By September 1, 2008, the supreme court shall report to the joint
7 legislative budget committee on current and future automation projects
8 coordinated by the administrative office of the courts. The report shall
9 include a list of court automation projects receiving or anticipated to
10 receive state monies in the current or next two fiscal years as well as a
11 description of each project, number of FTE positions, the entities involved
12 and the goals and anticipated results for each automation project. The
13 report shall be submitted in one summary document. The report shall indicate
14 each project's total multi-year cost by fund source and budget line item,
15 including any prior year, current year and any future year expenditures.

16 Included in the appropriation for the supreme court program is \$1,000
17 for the purchase of mementos and items for visiting officials.

18 All case processing assistance fund receipts received by the
19 administrative office of the courts in excess of \$3,068,200 in fiscal year
20 2008-2009 are appropriated to the supreme court. Before the expenditure of
21 any case processing assistance fund receipts in excess of \$3,068,200 in
22 fiscal year 2008-2009, the administrative office of the courts shall submit
23 the intended use of the monies for review by the joint legislative budget
24 committee.

25 All defensive driving school fund receipts received by the
26 administrative office of the courts in excess of \$5,419,300 in fiscal year
27 2008-2009 are appropriated to the supreme court. Before the expenditure of
28 any defensive driving school fund receipts in excess of \$5,419,300 in fiscal
29 year 2008-2009, the administrative office of the courts shall submit the
30 intended use of the monies for review by the joint legislative budget
31 committee.

32 Notwithstanding any other law, the amount appropriated for rural state
33 aid to the courts shall be allocated to counties with populations of less
34 than five hundred thousand persons.

35 All judicial collection enhancement fund receipts, excluding revenues
36 resulting from the probation surcharge, received by the administrative office
37 of the courts in excess of \$12,082,000 in fiscal year 2008-2009 are
38 appropriated to the supreme court. Before the expenditure of judicial
39 collection enhancement fund receipts in excess of \$12,082,000 in fiscal year
40 2008-2009, the administrative office of the courts shall submit the intended
41 use of the monies for review by the joint legislative budget committee.

42 The administrative office of the courts shall not transfer monies
43 between the supreme court operating budget and the automation line item
44 without review by the joint legislative budget committee.

1	<u>Court of appeals</u>	
2	FTE positions	147.5
3	Division I	\$ 9,657,700
4	Performance measures:	
5	Customer satisfaction rating for	
6	settlement program (Scale 1-8)	7.3
7	Division II	\$ 4,296,100
8	Performance measures:	
9	Customer satisfaction rating for	
10	settlement program (Scale 1-8)	<u>7.8</u>
11	Total appropriation - court of appeals	\$ 13,953,800
12	Fund sources:	
13	State general fund	\$ 13,953,800
14	Of the 147.5 FTE positions for fiscal year 2008-2009, 107.2 FTE	
15	positions are for Division I and 40.3 FTE positions are for Division II.	
16	<u>Superior court</u>	
17	FTE positions	230.5
18	Judges compensation	\$ 18,136,100
19	Adult standard probation	15,060,600
20	Adult intensive probation	11,338,000
21	Community punishment	2,871,700
22	Interstate compact	656,100
23	Sex offenders GPS monitoring	436,800
24	Drug court	1,013,600
25	Juvenile standard probation	4,726,000
26	Juvenile intensive probation	9,886,100
27	Juvenile treatment services	22,504,700
28	Juvenile family counseling	660,400
29	Juvenile crime reduction	5,221,800
30	Probation surcharge	3,425,700
31	Juvenile diversion consequences	10,160,300
32	Special water master	<u>20,000</u>
33	Total appropriation - superior court	\$106,117,900
34	Fund sources:	
35	State general fund	\$ 95,140,000
36	Criminal justice enhancement fund	7,052,200
37	Drug treatment and education fund	500,000
38	Judicial collection enhancement	
39	fund	3,425,700
40	Performance measures:	
41	Customer satisfaction rating by states	
42	participating in the interstate compact	
43	(Scale 1-8)	7.0

1 Juvenile standard probation:
 2 Per cent of probationers successfully
 3 completing probation without a referral
 4 (a notice of misbehavior) 85

5 Juvenile intensive probation (JIPS):
 6 Per cent of probationers successfully
 7 completing probation without a referral
 8 (a notice of misbehavior) 70

9 Adult standard probation:
 10 Per cent of probationers exiting probation
 11 and not committed to county jail or prison 80

12 Adult intensive probation (AIPS):
 13 Per cent of probationers exiting intensive
 14 probation and not committed to county jail
 15 or prison 50

16 Of the 230.5 FTE positions, 173 FTE positions represent superior court
 17 judges. One-half of their salaries are provided by state general fund
 18 appropriations pursuant to section 12-128, Arizona Revised Statutes. This is
 19 not meant to limit the counties' ability to add judges pursuant to section
 20 12-121, Arizona Revised Statutes.

21 Up to 4.6 per cent of the amounts appropriated for juvenile probation
 22 services - treatment services and juvenile diversion consequences may be
 23 retained and expended by the supreme court to administer the programs
 24 established by section 8-322, Arizona Revised Statutes, and to conduct
 25 evaluations as needed. The remaining portion of the treatment services and
 26 juvenile diversion consequences programs shall be deposited in the juvenile
 27 probation services fund established by section 8-322, Arizona Revised
 28 Statutes.

29 Receipt of state probation monies by the counties is contingent on the
 30 county maintenance of fiscal year 2003-2004 expenditure levels for each
 31 probation program. State probation monies are not intended to supplant
 32 county dollars for probation programs.

33 All community punishment program receipts received by the
 34 administrative office of the courts in excess of \$2,871,700 in fiscal year
 35 2008-2009 are appropriated to the community punishment line item. Before the
 36 expenditure of any community punishment receipts in excess of \$2,871,700 in
 37 fiscal year 2008-2009, the administrative office of the courts shall submit
 38 the intended use of the monies for review by the joint legislative budget
 39 committee.

40 All juvenile crime reduction fund receipts received by the
 41 administrative office of the courts in excess of \$5,221,800 in fiscal year
 42 2008-2009 are appropriated to the juvenile crime reduction line item. Before
 43 the expenditure of any juvenile crime reduction fund receipts in excess of
 44 \$5,221,800 in fiscal year 2008-2009, the administrative office of the courts

1 shall submit the intended use of the monies for review by the joint
2 legislative budget committee.

3 All judicial collection enhancement fund receipts received by the
4 administrative office of the courts resulting from the probation surcharge in
5 excess of \$3,425,700 in fiscal year 2008-2009 are appropriated to the
6 superior court. Before the expenditure of judicial collection enhancement
7 fund receipts in excess of \$3,425,700 in fiscal year 2008-2009, the
8 administrative office of the courts shall submit the intended use of the
9 monies for review by the joint legislative budget committee.

10 By November 1, 2008, the administrative office of the courts shall
11 report to the joint legislative budget committee the fiscal year 2007-2008
12 actual, fiscal year 2008-2009 estimated and fiscal year 2009-2010 requested
13 amounts for the following:

14 1. On a county-by-county basis, the number of authorized and filled
15 case carrying probation positions and non-case carrying positions,
16 distinguishing between adult standard, adult intensive, juvenile standard and
17 juvenile intensive. The report shall indicate the level of state probation
18 funding, other state funding, county funding and probation surcharge funding
19 for those positions.

20 2. Total receipts and expenditures by county and fund source for the
21 adult standard, adult intensive, juvenile standard and juvenile intensive
22 line items, including the amount of personal services expended from each
23 revenue source of each account.

24 3. The amount of monies from the adult standard, adult intensive,
25 juvenile standard and juvenile intensive line items that the office does not
26 distribute as direct aid to counties. The report shall delineate how the
27 office expends these monies that are not distributed as direct aid to
28 counties.

29 Total appropriation - Arizona judiciary \$164,958,600

30 Fund sources:

31 State general fund \$126,520,400

32 Confidential intermediary and
33 fiduciary fund 488,900

34 Court appointed special advocate
35 fund 3,456,000

36 Criminal justice enhancement fund 10,120,400

37 Defensive driving school fund 5,419,300

38 Drug treatment and education fund 500,000

39 Judicial collection enhancement
40 fund 15,507,700

41 State aid to the courts fund 2,945,900

42 The administrative office of the courts shall submit the intended use
43 of any reimbursement monies received for review to the joint legislative
44 budget committee prior to their expenditure.

1 Sec. 11. DEPARTMENT OF JUVENILE CORRECTIONS

2		<u>2008-09</u>
3	FTE positions	1,163.7
4	Lump sum appropriation	\$ 84,866,500
5	Fund sources:	
6	State general fund	\$ 78,895,600
7	State charitable, penal and	
8	reformatory institutions	
9	land fund	2,598,600
10	Criminal justice enhancement fund	689,800
11	State education fund for committed	
12	youth	2,682,500
13	Performance measures:	
14	Escapes from DJC secure care facilities	0
15	Per cent of juveniles passing the general	
16	equivalency diploma language test	56
17	Per cent of juveniles who show progress in	
18	their primary treatment problem area	75
19	Per cent of juveniles returned to custody	
20	within 12 months of release	36

21 The department shall provide a travel stipend to all southwest regional
 22 juvenile correction complex staff whose residence is at least twenty miles
 23 from work.

24 Twenty-five per cent of land earnings and interest from the state
 25 charitable, penal and reformatory institutions land fund shall be distributed
 26 to the department of juvenile corrections, in compliance with section 25 of
 27 the enabling act and the Constitution of Arizona, to be used for the support
 28 of state juvenile institutions and reformatories.

29 Before the expenditure of any state education fund for committed youth
 30 receipts in excess of \$2,682,500, the department of juvenile corrections
 31 shall report the intended use of the monies to the director of the joint
 32 legislative budget committee.

33 Sec. 12. STATE MINE INSPECTOR

34		<u>2008-09</u>
35		
36	FTE positions	17.0
37	Operating lump sum appropriation	\$ 1,470,000
38	Abandoned mines safety fund deposit	<u>182,000</u>
39	Total appropriation - state mine inspector	\$ 1,652,800
40	Fund sources:	
41	State general fund	\$ 1,652,800

1	Performance measures:	
2	Per cent of mandated inspections completed	80
3	Number of inspections	632
4	Customer satisfaction rating for mines	
5	(Scale 1-8)	6.0
6	Sec. 13. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION	
7		<u>2008-09</u>
8	FTE positions	2.0
9	Lump sum appropriation	\$ 180,000
10	Fund sources:	
11	State general fund	\$ 180,000
12	Sec. 14. DEPARTMENT OF PUBLIC SAFETY	
13		<u>2008-09</u>
14	FTE positions	2,123.8
15	Operating lump sum appropriation	\$187,303,400
16	GIITEM	31,799,700
17	Officer safety equipment	3,000,000
18	Motor vehicle fuel	3,935,500
19	Statewide interoperability design	<u>880,600</u>
20	Total appropriation - department of public	
21	safety	\$226,919,200
22	Fund sources:	
23	State general fund	\$ 57,778,300
24	Highway user revenue fund	95,656,600
25	State highway fund	30,343,400
26	Arizona highway patrol fund	21,620,000
27	Criminal justice enhancement fund	3,290,300
28	Safety enforcement and transportation	
29	infrastructure fund	1,564,100
30	Crime laboratory assessment fund	5,844,600
31	Arizona deoxyribonucleic acid	
32	identification system fund	3,623,200
33	Automated fingerprint identification	
34	system fund	3,299,200
35	Motorcycle safety fund	205,000
36	Risk management fund	296,200
37	Parity compensation fund	3,398,300
38	Performance measures:	
39	Per cent of scientific analysis cases over	
40	30 calendar days old	3.0
41	Per cent of system reliability of the Arizona	
42	automated fingerprint identification network	98
43	Clandestine labs dismantled	50

1 Of the \$31,799,700 appropriated to GIITEM, \$10,000,000 is to be used
2 for the multijurisdictional task force known as the gang and immigration
3 intelligence team enforcement mission (GIITEM). If the department of public
4 safety uses any of the monies appropriated for GIITEM for an agreement or
5 contract with a city, town, county or other entity to provide services for
6 the GIITEM program, the city, town, county or other entity shall provide at
7 least fifteen per cent of the cost of the services and the department of
8 public safety shall provide not more than eighty-five per cent of personal
9 services costs and employee related expenditures for each agreement or
10 contract but may fund all capital related equipment. Recognizing that states
11 have inherent authority to arrest for any immigration violation, there
12 continues to be a benefit with 287g additional training and a partnership
13 with immigration and customs enforcement and the federal government. The
14 distribution of these monies are contingent on the department of public
15 safety entering into a 287 memorandum of understanding with the United States
16 department of homeland security. The \$10,000,000 is to be used for functions
17 relating to immigration enforcement, including border security and border
18 personnel. As state and local law enforcement officers come into any lawful
19 contact with a suspected illegal alien or with gang or suspected gang members
20 and there is reason to believe that the individual has entered or remained in
21 the United States illegally, the use of these monies is contingent on law
22 enforcement agencies verifying the immigration status of these individuals and
23 taking appropriate action. The \$10,000,000 is exempt from the provisions of
24 section 35-190, Arizona Revised Statutes, relating to the lapsing of
25 appropriations. Any additional positions would assist GIITEM in various
26 efforts, including: 1) arresting illegal aliens, 2) responding to or
27 assisting any county attorney in investigating complaints of employers hiring
28 illegal aliens, 3) investigating crimes of identity theft in the context of
29 hiring illegal aliens and the unlawful entry into the country, and 4) taking
30 enforcement action, as permitted under federal law and article VI of the
31 Constitution of the United States. The department shall submit an expenditure
32 plan to the joint legislative budget committee for review before spending any
33 monies not identified in the department's previous expenditure plans. Within
34 thirty days after the last day of each calendar quarter, the department shall
35 provide a summary of quarterly and year-to-date expenditures and progress to
36 the joint legislative budget committee.

37 Of the \$31,799,700 appropriated to GIITEM, \$10,045,900 is to be used
38 for one hundred department of public safety GIITEM personnel. The additional
39 staff shall include at least fifty sworn DPS positions to be used for
40 immigration enforcement and border security and up to fifty DPS positions to
41 expand GIITEM's public awareness, investigation, and intelligence efforts.
42 The additional positions would assist GIITEM in various efforts, including:
43 1) arresting illegal aliens, 2) responding to or assisting any county
44 attorney in investigating complaints of employers hiring illegal aliens, 3)
45 investigating crimes of identity theft in the context of hiring illegal

1 aliens and the unlawful entry into the country, and 4) taking enforcement
 2 action, as permitted under federal law and article VI of the Constitution of
 3 the United States. As state and local law enforcement officers come into
 4 contact with gang or suspected gang members and there is reason to believe
 5 that the individual has entered or remained in the United States illegally,
 6 the use of these monies is contingent on law enforcement agencies verifying
 7 the immigration status of these individuals and taking appropriate action.
 8 The department shall submit an expenditure plan to the joint legislative
 9 budget committee for review prior to expending any monies not identified in
 10 the department's previous expenditure plans. Within thirty days after the
 11 last day of each calendar quarter, the department shall provide a summary of
 12 quarterly and year-to-date expenditures and progress to the joint legislative
 13 budget committee.

14 Of the \$3,000,000 appropriated to officer safety equipment, \$2,500,000
 15 is to be used by the department for personal public safety equipment,
 16 including protective body armor, electronic stun devices and digital video
 17 equipment, and \$500,000 is to be allocated to the Arizona criminal justice
 18 commission for distribution to local law enforcement agencies to retrofit
 19 public safety vehicles to aid in the prevention of fires resulting from rear
 20 end collisions in fiscal year 2008-2009. The commission shall distribute the
 21 monies on a first come first served basis with a maximum of \$1,000 per
 22 vehicle. A person or entity that sells or offers to sell an active or
 23 passive fire suppression kit shall comply with the testing requirements of
 24 section 44-1224, Arizona Revised Statutes.

25 The operating lump sum appropriation includes a lump sum reduction of
 26 \$(2,930,100). This reduction is for administrative costs only and shall not
 27 be taken against any monies appropriated for sworn officers.

28 Any monies remaining in the department of public safety joint account
 29 on June 30, 2009 shall revert to the funds from which they were appropriated.
 30 The reverted monies shall be returned in direct proportion to the amounts
 31 appropriated.

32 Sec. 15. SCHOOL FACILITIES BOARD

33		<u>2008-09</u>
34	FTE positions	20.0
35	Operating lump sum appropriation	\$ 1,750,000
36	New school facilities debt service	79,268,400
37	Building renewal	<u>10,000,000</u>
38	Total appropriation - school facilities	
39	board	\$ 91,018,400
40	Fund sources:	
41	State general fund	\$ 91,018,400

1	Performance measures:	
2	Per cent of school districts inspected	
3	meeting minimum adequacy standards	100
4	Per cent of school districts rating the	
5	board's services as "good" or "excellent"	
6	in an annual survey	95
7	Sec. 16. DEPARTMENT OF TRANSPORTATION	
8		<u>2008-09</u>
9	<u>Administration</u>	
10	FTE positions	412.0
11	Operating lump sum appropriation	\$ 42,409,600
12	Attorney general legal services	<u>3,052,600</u>
13	Total appropriation - administration	\$ 45,462,200
14	Fund sources:	
15	State highway fund	\$ 45,462,200
16	<u>Highways</u>	
17	FTE positions	2,548.0
18	Operating lump sum appropriation	\$137,941,600
19	Highway maintenance	132,027,000
20	Vehicles and heavy equipment	35,047,800
21	Vehicles and heavy equipment	
22	fuel surcharge	<u>2,000,000</u>
23	Total - highways	\$307,016,400
24	Fund sources:	
25	State general fund	\$ 86,600
26	Safety enforcement and	
27	transportation	
28	infrastructure fund	558,700
29	State highway fund	270,323,300
30	Transportation department	
31	equipment fund	36,047,800
32	Performance measures:	
33	Per cent of Maricopa regional freeway	
34	miles completed for the original	
35	twenty-year half cent sales tax	
36	ending December 31, 2005	100
37	Per cent of Maricopa regional freeway	
38	travel lane miles completed for	
39	the twenty-year half cent sales tax	
40	extension effective January 1, 2006	10.5
41	Per cent of overall highway construction	
42	projects completed on schedule	97

1 Of the total amount appropriated for the highways program, \$132,027,000
 2 in fiscal year 2008-2009 for highway maintenance is exempt from the
 3 provisions of section 35-190, Arizona Revised Statutes, relating to lapsing
 4 of appropriations, except that all unexpended and unencumbered monies of the
 5 appropriation revert to their fund of origin, either the state highway fund
 6 or the safety enforcement and transportation infrastructure fund, on August
 7 31, 2009.

8 Of the total amount appropriated for the highways program, \$2,663,000
 9 in fiscal year 2008-2009 is for performance pay for participants in the
 10 department's engineer pay plan. The department shall establish performance
 11 measures with measurable quality and quantity objectives for participants in
 12 the engineer pay plan that are designed to result in increased productivity
 13 and improved quality of the delivery of state services or products. The
 14 department shall either apply these performance measures to the entire
 15 engineer pay plan or apply relevant performance measures to subsets within
 16 the engineering pay plan either on a group or individual basis. Every
 17 quarter or month, the department shall review the participants' performance
 18 to determine if the performance measures were met. If the performance
 19 measures are met or exceeded, the applicable participants are entitled to
 20 receive the performance pay for the corresponding quarter.

21 Motor vehicle

22	FTE positions	1,755.0
23	Operating lump sum appropriation	\$108,003,600
24	Abandoned vehicle administration	1,039,800
25	Fraud investigation	788,300
26	New third party funding	<u>960,300</u>
27	Total appropriation - motor vehicle	\$110,792,000
28	Fund sources:	
29	Air quality fund	\$ 71,700
30	Driving under the influence	
31	abatement fund	143,300
32	Highway user revenue fund	617,000
33	Motor vehicle liability insurance	
34	enforcement fund	2,456,900
35	Safety enforcement and	
36	transportation infrastructure	
37	fund	1,613,700
38	State highway fund	104,169,700
39	Vehicle inspection and title	
40	enforcement fund	1,719,700

Performance measures:

Average office wait time from arriving at MVD office to receiving numbered ticket (minutes)	2.0
Average office wait time from receiving numbered ticket to arriving at counter (minutes)	15.0
Per cent of office customers rating services "good" or "excellent"	83
Average telephone wait time to speak to an MVD employee (minutes)	15.2
Per cent of alternative vehicle registration renewal methods (mail, internet, third party)	80

The department shall not transfer any funds to or from the motor vehicle division without the review by the joint legislative budget committee.

The department of transportation shall submit quarterly progress reports to the joint legislative budget committee on their progress in improving motor vehicle division wait times and vehicle registration renewal by mail turnaround times. The reports shall document the monthly averages for the total time customers spent at the office and the reasons for changes in these times for each motor vehicle division field office equipped with electronic customer monitoring devices. The reports shall document the wait time to get a numbered ticket from a motor vehicle division employee, the time between receiving the numbered ticket and arriving at the counter and the transaction time at the counter. The reports shall document the number of customers who arrived at motor vehicle division offices but who did not complete their transaction, and the motor vehicle division's average turnaround time for vehicle registration renewal by mail. The reports shall include details by office for all offices in the metropolitan areas which are defined to include all of Maricopa county, Apache Junction, Tucson and Flagstaff, and summarized for the nonmetropolitan areas. In addition to documenting wait times, the reports shall document the number of primary transactions (driver licenses, titles and vehicle registrations) and secondary transactions (all others), the number of counter positions assigned and filled and the productivity levels (the average number of primary transactions completed by staff and the average number of secondary transactions completed by staff). The reports shall document the number of primary and secondary transactions completed by third parties by metropolitan and nonmetropolitan area offices. The reports are due within thirty days after the end of each calendar quarter.

1	<u>Aeronautics</u>	
2	FTE positions	33.0
3	Lump sum appropriation	\$ 2,353,900
4	Fund sources:	
5	State aviation fund	\$ 2,353,900
6	Performance measures:	
7	Per cent of airport development projects	
8	completed on schedule	95
9	Agencywide lump sum reduction	\$ (23,000,000)
10	Fund sources:	
11	State highway fund	\$ (23,000,000)
12	Total appropriation - department	
13	of transportation	\$442,624,500
14	Fund sources:	
15	State general fund	\$ 86,600
16	Air quality fund	71,700
17	Driving under the influence	
18	abatement fund	143,300
19	Highway user revenue fund	617,000
20	Motor vehicle liability	
21	insurance enforcement fund	2,456,900
22	Safety enforcement and	
23	transportation infrastructure	
24	fund	2,172,400
25	State aviation fund	2,353,900
26	State highway fund	396,955,200
27	Transportation department	
28	equipment fund	36,047,800
29	Vehicle inspection and title	
30	enforcement fund	1,719,700
31	Of the \$442,624,500 appropriation to the department of transportation,	
32	the department of transportation shall pay \$16,773,800 in fiscal year	
33	2008-2009 from all funds to the department of administration for its risk	
34	management payment.	
35	Sec. 17. STATE TREASURER	
36		<u>2008-09</u>
37	FTE positions	34.4
38	Operating lump sum appropriation	\$ 2,834,700
39	Justice of the peace salaries	<u>2,230,100</u>
40	Total appropriation - state treasurer	\$ 5,064,800
41	Fund sources:	
42	State general fund	\$ 5,063,500
43	State treasurer's management fund	1,300

1 Performance measures:
 2 Ratio of yield of LGIP to Standard
 3 and Poor's LGIP index 1.2
 4 Ratio of yield of endowment pools to
 5 Big Bond Index 1.1
 6 Customer satisfaction rating for local
 7 government investment pool participants
 8 (Scale 1-8) 7.4
 9 Before changing the six basis point investment management fee, the
 10 treasurer shall submit the proposed change and its fiscal impact for review
 11 by the joint legislative budget committee.

12 Sec. 18. UNIVERSITIES

13 ARIZONA BOARD OF REGENTS

14		<u>2008-09</u>
15	FTE positions	27.9
16	Operating lump sum appropriation	\$ 2,404,100
17	Arizona teachers incentive program	90,000
18	Arizona transfer articulation	
19	support system	213,700
20	Student financial assistance	10,041,200
21	Math and science teacher initiative	2,250,000
22	Western interstate commission	
23	office	116,000
24	WICHE student subsidies	<u>4,115,000</u>
25	Total appropriation - Arizona board of	
26	regents	\$ 19,230,000
27	Fund sources:	
28	State general fund	\$ 19,230,000
29	Performance measures:	
30	Per cent of graduating seniors who rate	
31	their overall university experience	
32	as "good"/"excellent"	96
33	Per cent of full-time undergraduate students	
34	enrolled per semester in three or more	
35	primary courses with ranked faculty	77
36	Per cent of full-time undergraduate students	
37	enrolled per semester in three or more	
38	primary courses with professors of any rank	44
39	Average number of years taken to graduate	
40	for students who began as freshmen	4.5

41 The \$2,250,000 appropriation from the state general fund for the math
 42 and science teacher initiative shall be deposited into the mathematics,
 43 science and special education teacher student loan fund if established by
 44 section 15-784, Arizona Revised Statutes. Of this amount, the Arizona board
 45 of regents shall use \$1,750,000 for student loans to eligible prospective

1 math and science teachers and \$500,000 for student loans to eligible
 2 prospective special education teachers. The Arizona board of regents may
 3 retain up to \$100,000 of the appropriation for the math and science teacher
 4 initiative for administrative costs directly incurred by the board.

5 Within ten days of the acceptance of the universities' semiannual all
 6 funds budget reports, the Arizona board of regents shall submit an
 7 expenditure plan for review by the joint legislative budget committee. The
 8 expenditure plan shall include any tuition revenue amounts that are greater
 9 than the appropriated amounts and all retained tuition and fee revenue
 10 expenditures for the current fiscal year. The additional revenue expenditure
 11 plan shall provide as much detail as the university budget requests.

12 ARIZONA STATE UNIVERSITY

13		<u>2008-09</u>
14	FTE positions	8,469.0
15	Operating lump sum appropriation	\$721,485,200
16	Biomedical informatics	3,051,800
17	Downtown Phoenix campus	51,573,100
18	TRIF lease-purchase payment	<u>3,600,000</u>
19	Total appropriation - Arizona state	
20	university	\$779,710,100
21	Fund sources:	
22	State general fund	\$489,792,700
23	University collections fund	286,317,400
24	Technology and research initiative	
25	fund	3,600,000
26	Performance measures:	
27	Per cent of graduating seniors who rate	
28	their overall university experience	
29	as "good"/"excellent"	96
30	Per cent of full-time undergraduate	
31	students enrolled per semester in three or	
32	more primary courses with ranked faculty	71
33	Per cent of full-time undergraduate students	
34	enrolled per semester in three or more	
35	primary courses with professors of any rank	35
36	Average number of years taken to graduate	
37	for students who began as freshmen	4.6
38	External dollars for research and creative	
39	activity	\$205,000,000

40 The state general fund appropriations shall not be used for alumni
 41 association funding.

42 The appropriated monies are not to be used for scholarships.

43 The appropriated monies are not to be used to support any student
 44 newspaper.

The appropriated monies shall not be used by the Arizona state university college of law legal clinic for any lawsuits involving inmates of the state department of corrections in which the state is the adverse party.

Any unencumbered balances remaining in the collections account on June 30, 2008 and all collections received by the university during the fiscal year, when paid into the state treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the state treasury, together with any unencumbered balance in the summer session account, are appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.

NORTHERN ARIZONA UNIVERSITY

	<u>2008-09</u>
FTE positions	2,238.9
Operating lump sum appropriation	\$210,718,700
NAU - Yuma	<u>2,489,500</u>
Total appropriation - Northern Arizona university	\$213,208,200
Fund sources:	
State general fund	\$161,468,600
University collections fund	51,739,600
Performance measures:	
Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	98
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	93
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with professors of any rank	65
Average number of years taken to graduate for students who began as freshmen	4.5

The state general fund appropriations shall not be used for alumni association funding.

The appropriated monies are not to be used for scholarships.

The appropriated monies are not to be used to support any student newspaper.

Any unencumbered balances remaining in the collections account on June 30, 2008 and all collections received by the university during the fiscal year, when paid into the state treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the state treasury, together with any unencumbered balance in the summer session account, are appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.

UNIVERSITY OF ARIZONA

	<u>2008-09</u>
FTE positions	6,645.6
Operating lump sum appropriation	\$481,623,700
Agriculture	40,427,500
Arizona cooperative extension	14,511,900
Sierra Vista campus	5,625,300
Clinical rural rotation	515,200
Clinical teaching support	9,969,700
Liver research institute	544,800
Phoenix medical campus	12,701,700
Telemedicine network	<u>2,237,900</u>
Total appropriation - university of Arizona	\$568,157,700
Fund sources:	
State general fund	\$424,849,800
University collections fund	143,307,900
Performance measures:	
Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	96
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	80
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with professors of any rank	50
Average number of years taken to graduate for students who began as freshmen	4.6

The state general fund appropriations shall not be used for alumni association funding.

The appropriated monies are not to be used for scholarships.

The appropriated monies are not to be used to support any student newspaper.

Any unencumbered balances remaining in the collections account on June 30, 2008 and all collections received by the university during the fiscal year, when paid into the state treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the state treasury, together with any unencumbered balance in the summer session account, are appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.

University budget requests shall provide as much detail for the Phoenix medical campus as for any other budget program. Notwithstanding section 35-173, subsection C, Arizona Revised Statutes, any proposed transfer to or from the amounts appropriated for the Phoenix medical campus line item shall require prior review by the joint legislative budget committee.

On August 15, 2008 and February 15, 2009, the university of Arizona and the Arizona board of regents shall report to the joint legislative budget committee updates concerning the formal relationship between the Phoenix medical campus and area hospitals, partnerships with private medical schools, the availability of clinical rotations for medical students in this state, the creation of new residency positions in this state, the expansion of medical services in this state's rural areas, the attraction of out-of-state medical students to practice in this state and any other strategies being considered or employed to prevent a doctor shortage in this state or the rural areas of this state.

Lump sum reduction	\$ (65,000,000)
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Fund sources:

State general fund	\$ (65,000,000)
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On August 15, 2008, the Arizona board of regents shall report to the joint legislative budget committee the final allocation of the \$65,000,000 general fund reduction among university campuses. University reductions shall be made in proportion to the amount of state general fund monies received by each university.

Total appropriation - Universities	\$1,515,306,000
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Fund sources:

State general fund	\$1,030,341,100
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University collections fund	481,364,900
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Technology and research	
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initiative fund	3,600,000
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1 Sec. 19. Appropriation reductions: fiscal year 2008-2009

2 Notwithstanding any other law, the following amounts are reduced from
3 the state general fund in fiscal year 2008-2009 as listed below from
4 appropriations made to state agencies:

- 5 1. Office of administrative hearings - \$4,500.
- 6 2. Arizona department of agriculture - \$2,000,000.
- 7 3. Commission on the arts - \$200,000.
- 8 4. Attorney general - \$2,456,200.
- 9 5. State board for charter schools - \$262,400 and 3 FTE positions.
- 10 6. Department of commerce - \$5,730,800 and 16 FTE positions.
- 11 7. Corporation commission - \$546,000.
- 12 8. Arizona criminal justice commission - \$1,900,000.
- 13 9. Department of emergency and military affairs - \$400,000.
- 14 10. Department of environmental quality - \$5,147,900.
- 15 11. Governor's office of equal opportunity - \$19,500.
- 16 12. State board of equalization - \$67,300.
- 17 13. Board of executive clemency - \$60,000.
- 18 14. Department of fire, building and life safety - \$300,000.
- 19 15. Arizona geological survey - \$60,000.
- 20 16. Government information technology agency - \$1,500,000.
- 21 17. Office of the governor - \$551,900.
- 22 18. Governor's office of strategic planning and budgeting - \$173,600.
- 23 19. Arizona historical society - \$350,000.
- 24 20. Prescott historical society - \$64,000.
- 25 21. Arizona commission of Indian affairs - \$223,300.
- 26 22. Department of insurance - \$780,100.
- 27 23. State land department - \$4,000,000 and 12 FTE positions.
- 28 24. Law enforcement merit system council - \$2,000.
- 29 25. Auditor general - \$1,386,900.
- 30 26. House of representatives - \$927,200.
- 31 27. Joint legislative budget committee - \$228,100.
- 32 28. Legislative council - \$428,800.
- 33 29. Arizona state library, archives & public records - \$778,800.
- 34 30. Senate - \$639,900.
- 35 31. Department of liquor licenses and control - \$212,100.
- 36 32. Board of medical student loans - \$379,000.
- 37 33. Department of mines and mineral resources - \$40,000.
- 38 34. Arizona state parks board - \$2,340,000 and 21 FTE positions.
- 39 35. Personnel board - \$37,100.
- 40 36. Arizona pioneers' home - \$1,236,000.
- 41 37. Commission for postsecondary education - \$50,000 and 1 FTE
42 position.

- 38. Arizona department of racing - \$570,200.
- 39. Radiation regulatory agency - \$165,800.
- 40. State real estate department - \$922,800.
- 41. Department of revenue - \$9,072,500 and 16 FTE positions.
- 42. Secretary of state - \$138,300.
- 43. State board of tax appeals - \$6,300.
- 44. Office of tourism - \$6,412,400.
- 45. Department of water resources - \$4,000,000.
- 46. Department of weights and measures - \$171,100.

Sec. 20. Fund reduction; game and fish

Notwithstanding any other law, \$1,800,000 is reduced from the watercraft licensing fund in fiscal year 2008-2009.

Sec. 21. Fund reduction; government information technology agency

Notwithstanding any other law, \$1,000,000 and 7.3 FTE positions are reduced from the information technology fund in fiscal year 2008-2009 from the appropriation made to the government information technology agency.

Sec. 22. Appropriation reduction; government information technology agency

Notwithstanding Laws 2007, chapter 259, section 22, the appropriation from the state general fund for the statewide information security and privacy office line item of the government information technology agency is reduced by \$500,000 and 3 FTE positions in fiscal year 2008-2009.

Sec. 23. Appropriation reduction; department of public safety parking garage

Notwithstanding Laws 2007, chapter 261, section 16, the department of public safety appropriation from the DNA identification system fund is reduced by \$1,000,000 in fiscal year 2008-2009 to delay the construction of a new parking garage.

Sec. 24. Appropriation reduction; biomedical research commission

Notwithstanding Laws 2007, chapter 263, section 42, the Arizona biomedical research commission appropriation from the state general fund is reduced by \$1,000,000 in fiscal year 2008-2009 to delay the public regenerative tissue repository.

Sec. 25. Appropriation reduction; twenty-first century competitive initiative fund

Notwithstanding Laws 2007, chapter 260, section 6, the appropriation to department of commerce for the Arizona twenty-first century competitive initiative fund is reduced by \$25,000,000 from the state general fund in fiscal year 2008-2009.

Sec. 26. Transfer of fund monies to the state general fund:
fiscal year 2008-2009

A. On or before June 30, 2009, the following amounts from the funds or sources indicated are transferred to the state general fund for the purposes of providing adequate support and maintenance for agencies of this state:

1. State board of accountancy:

Board of accountancy fund - \$264,000.

2. Acupuncture board of examiners:

Acupuncture board of examiners fund - \$49,100.

3. Department of administration:

Certificate of participation fund - \$750,000.

Construction insurance fund - \$11,628,800.

Motor vehicle pool revolving fund - \$4,793,500.

Retiree accumulated sick leave fund - \$7,597,300.

Emergency telecommunication services revolving fund - \$25,085,500.

Automation operations fund - \$3,328,200.

Telecommunications fund - \$5,989,800.

Personnel division fund - \$1,231,900.

Risk management revolving fund - \$16,337,000.

Special employee health insurance trust fund - \$453,800.

Capital outlay stabilization fund - \$3,590,200.

Air quality fund - \$49,900.

Corrections fund - \$64,400.

State surplus materials revolving fund - \$110,400.

4. Arizona department of agriculture:

Agricultural consulting and training fund - \$200,000.

Pesticide fund - \$25,000.

Seed law fund - \$15,000.

5. State board of appraisal:

Board of appraisal fund - \$200,000.

6. Arizona commission on the arts:

Arts endowment fund - \$7,000,000.

7. Attorney general - department of law:

Anti-racketeering revolving fund - \$302,100.

8. Board of barbers:

Board of barbers fund - \$163,600.

9. State board of chiropractic examiners:

Board of chiropractic examiners fund - \$66,800.

10. Department of commerce:

Commerce and economic development commission fund - \$2,926,100.

Greater Arizona development authority revolving fund - \$4,000,000.

Job training fund - \$17,300,000.

Military installation fund - \$3,000,000.

- 1 11. Registrar of contractors:
 - 2 Registrar of contractors fund - \$2,418,900.
 - 3 Residential contractors' recovery fund - \$10,800,000.
- 4 12. Corporation commission:
 - 5 Utility regulation revolving fund - \$2,632,600.
 - 6 Securities regulatory and enforcement fund - \$1,200,000.
 - 7 Investment management regulatory and enforcement fund - \$500,000.
 - 8 Public access fund - \$339,300.
- 9 13. State department of corrections:
 - 10 Transition office fund - \$339,600.
 - 11 Transition program drug treatment fund - \$100,000.
 - 12 Alcohol abuse treatment fund - \$1,300,000.
- 13 14. Board of cosmetology:
 - 14 Board of cosmetology fund - \$734,600.
- 15 15. Arizona criminal justice commission:
 - 16 Criminal justice enhancement fund - \$100,000.
 - 17 State aid to county attorneys fund - \$1,550,000.
 - 18 State aid to indigent defense fund - \$1,550,000.
- 19 16. Commission for the deaf and the hard of hearing:
 - 20 Telecommunication fund for the deaf - \$1,044,600.
- 21 17. State board of dental examiners:
 - 22 Dental board fund - \$838,400.
- 23 18. Department of economic security:
 - 24 Spinal and head injuries trust fund - \$395,200.
 - 25 Special administration fund - \$2,900,000.
 - 26 Public assistance collections fund - \$186,900.
 - 27 Utility assistance fund - \$550,000.
- 28 19. Department of education:
 - 29 Special education fund - \$4,234,000.
 - 30 Internal services fund - \$500,000.
 - 31 Golden rule special plate fund - \$274,600.
- 32 20. Department of emergency military affairs:
 - 33 State armory property fund - \$44,600.
- 34 21. Department of environmental quality:
 - 35 Air quality fund - \$3,667,600.
 - 36 Indirect cost recovery fund - \$2,000,000.
 - 37 Recycling fund - \$3,000,000.
 - 38 Water quality assurance revolving fund - \$4,000,000.
 - 39 Underground storage tank revolving fund - \$12,000,000.
 - 40 Emissions inspection fund - \$1,000,000.
 - 41 Solid waste fee fund - \$300,000.
 - 42 Voluntary vehicle repair and retrofit program fund - \$1,400,000.
 - 43 Water quality fee fund - \$700,000.
 - 44 Clean water revolving fund - \$2,000,000.

- 1 22. Department of financial institutions:
 - 2 Arizona escrow guaranty fund - \$1,512,700.
 - 3 Receivership revolving fund - \$750,000.
- 4 23. State board of funeral directors and embalmers:
 - 5 Board of funeral directors and embalmers fund - \$274,300.
- 6 24. Arizona game and fish department:
 - 7 Watercraft licensing fund - \$1,800,000.
 - 8 Off-highway vehicle fund - \$200,000.
- 9 25. Government information technology agency:
 - 10 State web portal fund - \$3,000,000.
- 11 26. Department of health services:
 - 12 Intergovernmental agreements fund - \$5,200,000.
 - 13 Emergency medical services operating fund - \$1,000,000.
 - 14 Indirect cost fund - \$4,000,000.
 - 15 Substance abuse services fund - \$1,100,000.
 - 16 Internal services fund - \$50,000.
 - 17 Vital records electronic systems fund - \$100,000.
 - 18 Hearing and speech professionals fund - \$25,000.
 - 19 Poison control fund - \$4,600.
 - 20 Arizona medical board fund - \$25,800.
 - 21 Prescription drug advisory council - \$10,000.
- 22 27. Arizona department of housing:
 - 23 Housing program fund - \$3,100,000.
 - 24 Housing trust fund - \$30,000,000.
 - 25 Intergovernmental agreements fund - \$3,306,400.
- 26 28. Industrial commission of Arizona:
 - 27 Industrial commission administrative fund - \$15,000,000.
- 28 29. Department of insurance:
 - 29 Insurance examiners' revolving fund - \$750,000.
- 30 30. Judiciary:
 - 31 Juvenile delinquent reduction fund - \$5,500,000.
 - 32 Drug treatment and education fund - \$500,800.
 - 33 Arizona lengthy trial fund - \$750,000.
- 34 31. Juvenile corrections:
 - 35 Criminal justice enhancement fund - \$150,000.
- 36 32. Department of liquor license and control:
 - 37 Liquor license special collections fund - \$670,000.
- 38 33. Arizona state lottery commission:
 - 39 State lottery fund - \$4,543,600.
- 40 34. Naturopathic physicians board of medical examiners:
 - 41 Naturopathic physicians board of medical examiners fund - \$360,400.
- 42 35. State board of nursing:
 - 43 Board of nursing fund - \$800,000.
- 44 36. Board of occupational therapy examiners:
 - 45 Occupational therapy fund - \$103,700.

- 1 37. State board of optometry:
 - 2 Board of optometry fund - \$110,000.
- 3 38. Arizona board of osteopathic examiners:
 - 4 Board of osteopathic examiners fund - \$328,900.
- 5 39. Parents commission on drug education and prevention:
 - 6 Drug treatment and education fund - \$3,462,300.
- 7 40. Arizona state parks board:
 - 8 Land conservation fund - administrative account - \$7,500,000.
 - 9 Off-highway vehicle recreation fund - \$760,200.
 - 10 State lake improvement fund - \$6,353,500.
 - 11 State parks enhancement fund - \$1,489,300.
- 12 41. Arizona state board of pharmacy:
 - 13 Board of pharmacy fund - \$429,000.
- 14 42. State board for private postsecondary education:
 - 15 Board for private postsecondary education fund - \$142,400.
- 16 43. State board of psychologist examiners:
 - 17 Board of psychologist examiners fund - \$142,800.
- 18 44. Department of public safety:
 - 19 Automated fingerprint identification system fund - \$500,000.
 - 20 Arizona deoxyribonucleic acid (DNA) identification system fund -
 - 21 \$1,000,000.
 - 22 Arizona highway patrol fund - \$2,000,000.
 - 23 Records processing fund - \$301,600.
- 24 45. Arizona department of racing:
 - 25 Arizona breeders award fund - \$113,500.
 - 26 County fairs racing betterment racing fund - \$200,000.
- 27 46. State real estate department:
 - 28 Condominium recovery fund - \$5,000.
 - 29 Recovery fund - \$202,500.
- 30 47. Department of revenue:
 - 31 Estate and unclaimed property - \$1,133,000.
 - 32 Liability setoff fund - \$850,000.
- 33 48. Structural pest control commission:
 - 34 Structural pest control commission fund - \$359,200.
- 35 49. State board of technical registration:
 - 36 Technical registration fund - \$600,400.
- 37 50. Office of tourism:
 - 38 Tourism fund - \$4,000,000.
- 39 51. Department of transportation:
 - 40 Economic strength project fund - \$1,000,000.
 - 41 Motor vehicle liability insurance enforcement fund - \$4,000,000.
 - 42 State aviation fund - \$18,300,000.
 - 43 Transportation department equipment fund - \$3,100,000.
 - 44 Vehicle inspection and title enforcement fund - \$1,750,000.

1 52. Arizona state veterinary medical examining board:

2 Veterinary medical examining board fund - \$142,100.

3 53. Department of water resources:

4 Arizona water banking fund - \$3,000,000.

5 54. Budget stabilization fund - \$85,000,000.

6 B. Agencies listed shall reduce expenditures from the listed funds
7 accordingly in order to ensure a sufficient fund balance for these fund
8 transfers.

9 C. The listed fund transfers shall be made as soon as practicable.

10 Sec. 27. Vehicle license tax; transfer

11 Notwithstanding section 28-6538, Arizona Revised Statutes, or any other
12 law, the first \$36,139,000 received in fiscal year 2008-2009 pursuant to
13 title 28, chapter 16, article 3, Arizona Revised Statutes, relating to
14 vehicle license tax, for distribution to the state highway fund pursuant to
15 section 28-6538, subsection A, paragraph 1, Arizona Revised Statutes, shall
16 be deposited in the state general fund.

17 Sec. 28. Supplemental appropriation; auditor general

18 The sum of \$2,000,000 is appropriated from the state general fund in
19 fiscal year 2008-2009 to the auditor general for eligibility sample
20 verification.

21 Sec. 29. Supplemental appropriations; corporation commission

22 The sum of \$391,400 and 9 FTE positions are appropriated from the
23 public access fund in fiscal year 2008-2009 to the corporation commission for
24 supplemental funding as follows:

25 1. \$338,300 to replace the state of Arizona public access system.

26 2. \$53,100 and 1 FTE position to address slow processing times for the
27 annual reports division.

28 3. 8 FTE positions for the corporations filings same day service line
29 item.

30 Sec. 30. Supplemental appropriation; Arizona state retirement
31 system

32 The sum of \$267,700 is appropriated from the state retirement system
33 administration account in fiscal year 2008-2009 to the Arizona state
34 retirement system for increases in employee related expenditures.

35 Sec. 31. Supplemental appropriation; commission for
36 postsecondary education

37 The sum of \$900,000 is appropriated from the postsecondary education
38 fund in fiscal year 2008-2009 to the commission for postsecondary education
39 for increases in the leveraging educational assistance partnership line
40 item.

1 Sec. 32. Supplemental appropriation; department of weights and
2 measures

3 A. The sum of \$199,200 is appropriated from the motor vehicle
4 liability insurance enforcement fund in fiscal year 2008-2009 to the
5 department of weights and measures for supplemental funding for increased
6 enforcement of taxi licensing and inspections.

7 B. Before any taxi license is issued, the department of weights and
8 measures shall confirm that the applicant is in compliance with section
9 23-212, Arizona Revised Statutes.

10 Sec. 33. Supplemental appropriation; state land department

11 The sum of \$40,000 is appropriated to the state land department from
12 the environmental special plate fund in fiscal year 2008-2009 for the natural
13 resource conservation districts line item.

14 Sec. 34. Supplemental appropriation; state board of
15 psychologist examiners

16 The sum of \$13,500 is appropriated from the board of psychologist
17 examiners fund in fiscal year 2008-2009 to the state board of psychologist
18 examiners for supplemental funding for board member reimbursement and other
19 operating expenditures.

20 Sec. 35. Supplemental appropriation; board of homeopathic
21 medical examiners

22 The sum of \$22,400 is appropriated from the board of homeopathic
23 medical examiners' fund in fiscal year 2008-2009 to the board of homeopathic
24 medical examiners for supplemental funding to comply with auditor general
25 performance audit recommendations.

26 Sec. 36. Supplemental appropriation; department of commerce

27 The sum of \$750,000 and 4 FTE positions is appropriated to the
28 department of commerce from the commerce and economic development fund in
29 fiscal year 2008-2009 to provide supplemental funding to offset a state
30 general fund reduction.

31 Sec. 37. Supplemental appropriation; Arizona state parks board

32 The sum of \$1,500,000 and 21 FTE positions is appropriated from the
33 state parks enhancement fund in fiscal year 2008-2009 to the Arizona state
34 parks board to provide supplemental funding to offset a state general fund
35 reduction.

36 Sec. 38. Supplemental appropriation; Arizona pioneers' home

37 The sum of \$1,236,000 is appropriated from the miners' hospital fund in
38 fiscal year 2008-2009 to the Arizona pioneers' home to provide supplemental
39 funding to offset a state general fund reduction.

40 Sec. 39. Supplemental appropriation; attorney general

41 The sum of \$1,700,000 is appropriated from the consumer fraud revolving
42 fund in fiscal year 2008-2009 to the attorney general for expenditures
43 relating to the master settlement agreement litigation.

Sec. 40. Department of environmental quality: appropriation limitations

A. Notwithstanding Laws 2007, chapter 255, section 31, the appropriation to the air permits administration fund in the department of environmental quality shall not exceed \$5,890,300 for fiscal year 2008-2009.

B. Notwithstanding Laws 2007, chapter 255, section 31, the appropriation to the indirect cost recovery fund in the department of environmental quality shall not exceed \$10,531,000 for fiscal year 2008-2009.

C. Notwithstanding Laws 2007, chapter 255, section 31, the appropriation to the water quality fee fund in the department of environmental quality shall not exceed \$5,839,100 for fiscal year 2008-2009.

Sec. 41. Appropriation; operating adjustments; annualization

2008-09

State employee health insurance

adjustments	\$ 4,003,300
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Fund sources:

State general fund	\$ 2,291,500
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Other appropriated funds	1,711,800
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State employee retirement

adjustments	\$ 1,836,500
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Fund sources:

State general fund	\$ 1,025,500
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Other appropriated funds	811,000
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State employee salary adjustments

Fund sources:

State general fund	\$ 6,584,200
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Other appropriated funds	5,781,000
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State-owned space rent adjustments

Fund sources:

State general fund	\$ 1,574,000
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Other appropriated funds	435,900
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State telecommunications adjustments

Fund sources:

State general fund	\$ 913,800
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State lease-purchase and

privatized-lease-to-own adjustments	\$ 274,000
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Fund sources:

State general fund	\$ 274,000
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Human resources pro rata adjustments

Fund sources:

State general fund	\$	38,400
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Other appropriated funds	38,500
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Risk management adjustments

1 Fund sources:
 2 State general fund \$ 292,000
 3 Assistant attorney general salary
 4 adjustments 2,906,200
 5 Fund sources:
 6 State general fund \$ 982,800
 7 Other appropriated funds 1,923,400

8 The other appropriated funds may be allocated from the following funds:
 9 board of accountancy fund, acupuncture board of examiners fund, air permits
 10 administration fund, air quality fund, antitrust enforcement revolving fund,
 11 board of appraisal fund, Arizona arts trust fund, assured and adequate water
 12 supply administration fund, attorney general legal services cost allocation
 13 fund, Arizona automated fingerprint identification system fund, automobile
 14 theft authority fund, automation operations fund, state aviation fund, board
 15 of barbers fund, board of behavioral health examiners fund, Arizona benefits
 16 fund, bond fund, capital outlay stabilization fund, state charitable fund,
 17 child abuse prevention fund, child fatality review fund, child support
 18 enforcement administration fund, children's health insurance program fund,
 19 board of chiropractic examiners fund, citrus, fruit and vegetable revolving
 20 fund, collection enforcement revolving fund, commerce and economic
 21 development commission fund, commercial feed fund, confidential intermediary
 22 and fiduciary fund, agricultural consulting and training fund, consumer
 23 protection-consumer fraud revolving fund, corrections fund, board of
 24 cosmetology fund, crime laboratory assessment fund, criminal justice
 25 enhancement fund, county fair racing fund, court appointed special advocate
 26 fund, defensive driving school fund, dental board fund, Arizona
 27 deoxyribonucleic acid identification system fund, board of dispensing
 28 opticians fund, driving under the influence abatement fund, drug and gang
 29 prevention resource center fund, state education fund for committed youth,
 30 state education fund for correctional education, state egg inspection fund,
 31 election systems improvement fund, emergency medical services operating fund,
 32 emissions inspection fund, environmental laboratory licensure revolving fund,
 33 estate and unclaimed property fund, Arizona exposition and state fair fund,
 34 federal child care and development fund block grant, federal Reed act grant,
 35 federal surplus materials revolving fund, federal temporary assistance for
 36 needy families block grant, fertilizer materials fund, board of funeral
 37 directors' and embalmers' fund, fingerprint clearance card fund, game and
 38 fish fund, game, nongame, fish and endangered species fund, hazardous waste
 39 management fund, healthcare group fund, hearing and speech professionals
 40 fund, state highway fund, Arizona highway patrol fund, highway user revenue
 41 fund, board of homeopathic medical examiners' fund, housing trust fund, DHS
 42 indirect cost fund, ADEQ indirect cost recovery fund, industrial commission
 43 administrative fund, information technology fund, interagency service
 44 agreements fund, intergovernmental agreements and grants, investment
 45 management regulatory and enforcement fund, judicial collection enhancement

1 fund, land conservation fund administration account, lease-purchase building
 2 operating and maintenance fund, liability set-off fund, long-term care system
 3 fund, long-term disability administration account, state lottery fund,
 4 Arizona medical board fund, the miners' hospital for disabled miners land
 5 fund, motor vehicle liability insurance enforcement fund, motor vehicle pool
 6 revolving fund, naturopathic physicians board of medical examiners fund,
 7 newborn screening program fund, board of nursing fund, nursing care
 8 institution administrators' licensing and assisted living facility managers'
 9 certification fund, occupational therapy fund, oil overcharge fund, board of
 10 optometry fund, board of osteopathic examiners fund, state parks enhancement
 11 fund, penitentiary land fund, personnel division fund, pesticide fund,
 12 Arizona state board of pharmacy fund, board of physical therapy fund,
 13 podiatry fund, postsecondary education fund, prison construction and
 14 operations fund, board for private postsecondary education fund, professional
 15 employer organization fund, Arizona protected native plant fund, board of
 16 psychologist examiners fund, public access fund, public assistance
 17 collections fund, racing administration fund, state radiologic technologist
 18 certification fund, records services fund, recycling fund, registrar of
 19 contractors fund, reservation surcharge revolving fund, residential utility
 20 consumer office revolving fund, board of respiratory care examiners fund,
 21 state retirement system administration account, risk management revolving
 22 fund, safety enforcement and transportation infrastructure fund, Arizona
 23 schools for the deaf and the blind fund, securities regulatory and
 24 enforcement fund, seed law fund, solid waste fee fund, special administration
 25 fund, special employee health insurance trust fund, special services
 26 revolving fund, spinal and head injuries trust fund, state aid to the courts
 27 fund, Arizona state hospital fund, state board of equalization fund, state
 28 surplus materials revolving fund, structural pest control commission fund,
 29 substance abuse services fund, teacher certification fund, technical
 30 registration fund, telecommunications fund, telecommunication fund for the
 31 deaf, telecommunications excise tax fund, tobacco tax and health care fund,
 32 transportation department equipment fund, tribal-state compact fund, used oil
 33 fund, utility regulation revolving fund, vehicle inspection and title
 34 enforcement fund, state veterans' conservatorship fund, state home for
 35 veterans' trust fund, veterinary medical examining board fund, victims'
 36 rights fund, vital records electronic systems fund, watercraft licensing
 37 fund, waterfowl conservation fund, water quality fee fund and workforce
 38 investment act grant.

39 State employee health insurance adjustments

40 The amount appropriated for state employee health insurance adjustments
 41 shall be for annualizing fiscal year 2007-2008 increases in the employer
 42 share of state employee health insurance premiums in agencies receiving
 43 fiscal year 2008-2009 appropriations in Laws 2007, chapter 255. The joint
 44 legislative budget committee staff shall determine and the department of
 45 administration shall allocate to each agency's or department's

1 employee-related expenditures an amount for the employer share of the
2 employee health insurance increases. The joint legislative budget committee
3 staff shall also determine and the department of administration shall
4 allocate adjustments, as necessary, in expenditure authority to allow
5 implementation of state employee health insurance adjustments.

6 State employee retirement adjustments

7 The amount appropriated for state employee retirement contribution
8 adjustments shall be for annualizing fiscal year 2007-2008 increases in the
9 employer share of state employee retirement contributions in agencies
10 receiving fiscal year 2008-2009 appropriations in Laws 2007, chapter 255.
11 The joint legislative budget committee staff shall determine and the
12 department of administration shall allocate to each agency's or department's
13 employee-related expenditures an amount for the employer share of the
14 employee retirement contribution increase. The joint legislative budget
15 committee staff shall also determine and the department of administration
16 shall allocate adjustments, as necessary, in expenditure authority to allow
17 implementation of state employee retirement contribution adjustments.

18 Salary adjustments

19 The amount appropriated for salary adjustments includes personal
20 services and employee-related expenditures for state officers and employees
21 in accordance with this act.

22 For fiscal year 2008-2009, the joint legislative budget committee staff
23 shall determine and the department of administration shall allocate to each
24 agency or department an amount for annualizing fiscal year 2007-2008
25 adjustments in agencies receiving fiscal year 2008-2009 appropriations in
26 Laws 2007, chapter 255. The joint legislative budget committee staff shall
27 also determine and the department of administration shall allocate
28 adjustments, as necessary, in expenditure authority to allow implementation
29 of salary adjustments.

30 State owned space rent adjustments

31 The amount appropriated for agency rent adjustments shall be used for
32 annualizing fiscal year 2007-2008 adjustments for state owned space increases
33 from \$15.50 per square foot to \$19.50 per square foot for office space, and
34 increases from \$6.00 per square foot to \$7.00 per square foot for storage
35 space in agencies receiving fiscal year 2008-2009 appropriations in Laws
36 2007, chapter 255.

37 For fiscal year 2008-2009, the joint legislative budget committee staff
38 shall determine and the department of administration shall allocate to each
39 agency or department an amount for annualizing fiscal year 2007-2008
40 adjustments in agencies receiving fiscal year 2008-2009 appropriations in
41 Laws 2007, chapter 255.

State telecommunications adjustments

The amount appropriated for state telecommunications adjustments shall be to annualize fiscal year 2006-2007 increases and for fiscal year 2007-2008 adjustments in agency or department telecommunication charges in agencies receiving fiscal year 2008-2009 appropriations in Laws 2007, chapter 255. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the contribution increase. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of state telecommunications adjustments.

State lease-purchase and privatized-lease-to-own adjustments

The amount appropriated for state lease-purchase and privatized-lease-to-own adjustments shall be for annualizing fiscal year 2007-2008 adjustments in agency or department lease-purchase and privatized-lease-to-own charges in agencies receiving fiscal year 2008-2009 appropriations in Laws 2007, chapter 255. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the contribution increase. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of state lease-purchase and privatized-lease-to-own adjustments.

Human resources pro rata adjustments

The amount appropriated for state human resources pro rata adjustments shall be for annualizing increased fiscal year 2007-2008 rates in agency or department human resources pro rata charges in agencies receiving fiscal year 2008-2009 appropriations in Laws 2007, chapter 255. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the contribution increase. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of state human resources pro rata adjustments.

Risk management adjustments

The amount appropriated for state risk management adjustments shall be for annualizing new fiscal year 2007-2008 adjustments in agency or department risk management charges in agencies receiving fiscal year 2008-2009 appropriations in Laws 2007, chapter 255. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency or department an amount for the contribution increase. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of state risk management adjustments.

1 Assistant attorney general salary adjustments

2 For fiscal year 2008-2009, the joint legislative budget committee staff
3 shall determine and the department of administration shall allocate to the
4 office of the attorney general and its client agencies the amount necessary
5 to annualize a fiscal year 2007-2008 salary adjustment to assistant attorney
6 generals. The amount of the salary adjustment for each assistant attorney
7 general shall be determined by the attorney general and is in addition to the
8 statewide salary adjustment provided by this section.

9 Of the total \$982,800 general fund allocations, \$859,100 is for
10 distribution to the attorney general, \$83,900 is for distribution to agencies
11 that pay interagency service agreements with general fund appropriations, and
12 \$39,800 is for distribution to agencies that pay the attorney general pro
13 rata charge with general fund appropriations. Of the total \$1,923,400 other
14 appropriated fund allocation, \$1,638,500 is for distribution to the attorney
15 general, \$18,800 is for distribution to the game and fish department,
16 \$244,300 is for distribution to agencies that pay interagency service
17 agreements with other appropriated fund appropriations, and \$21,800 is for
18 distribution to agencies that pay the attorney general pro rata charge with
19 other appropriated fund appropriations.

20 Sec. 42. State owned space rent adjustments; state
21 lease-purchase and privatized lease-to-own
22 adjustments

23 State owned space rent adjustments \$1,340,000

24 Fund sources:

25 State general fund \$1,060,000

26 Other appropriated funds 280,000

27 State lease-purchase and privatized
28 lease-to-own adjustments \$(150,000)

29 Fund sources:

30 Other appropriated funds \$(150,000)

31 The amount appropriated for rent adjustments shall be used to fund
32 agency rent charges for state owned space increases from \$19.50 per square
33 foot to \$21.02 per square foot for office space and increases from \$7.00 per
34 square foot to \$7.62 per square foot for storage space.

35 For fiscal year 2008-2009, the joint legislative budget committee staff
36 shall determine and the department of administration shall allocate to each
37 agency or department an amount for these adjustments.

38 The amount appropriated for state lease-purchase and privatized
39 lease-to-own adjustments shall be for fiscal year 2008-2009 adjustments in
40 agency or department lease-purchase and privatized lease-to-own charges. The
41 joint legislative budget committee staff shall determine and the department
42 of administration shall allocate to each agency or department an amount for
43 the contribution increase. The joint legislative budget committee staff
44 shall also determine and the department of administration shall allocate

1 adjustments, as necessary, in expenditure authority to allow implementation
2 of state lease-purchase and privatized lease-to-own adjustments.

3 Sec. 43. Hiring appropriations; fiscal year 2007-2008;
4 reversion

5 A. Notwithstanding any other law, \$5,309,300 appropriated from the
6 state general fund and \$4,690,700 appropriated from other state funds that
7 were appropriated to state budget units for fiscal year 2008-2009 and from
8 nonfederal nonappropriated funds for hiring of state employees shall not be
9 expended or encumbered. The joint legislative budget committee shall
10 determine and the department of administration shall allocate the amount of
11 the reversion or transfer to each state agency or department.

12 B. The amounts determined pursuant to subsection A of this section
13 shall remain in or be reverted or transferred to the state general fund on
14 the effective date of this act.

15 Sec. 44. Legislative intent; expenditure reporting

16 It is the intent of the legislature that all departments, agencies or
17 budget units receiving appropriations under the terms of this act shall
18 continue to report actual, estimated and requested expenditures by budget
19 programs and budget classes in a format that is similar to the budget
20 programs and budget classes used for budgetary purposes in prior years. A
21 different format may be used if deemed necessary to implement section 35-113,
22 Arizona Revised Statutes, agreed to by the director of the joint legislative
23 budget committee and incorporated into the budget preparation instructions
24 adopted by the governor's office of strategic planning and budgeting pursuant
25 to section 35-112, Arizona Revised Statutes.

26 Sec. 45. FTE positions; reporting; definition

27 Full-time equivalent (FTE) positions contained in this act are subject
28 to appropriation. The director of the department of administration shall
29 account for the use of all appropriated FTE positions excluding those in the
30 department of economic security, the universities and the department of
31 environmental quality. The director shall submit the fiscal year 2008-2009
32 report by August 1, 2009 to the director of the joint legislative budget
33 committee. The reports shall compare the level of FTE usage in each fiscal
34 year to the appropriated level. For the purposes of this section, "FTE
35 positions" shall mean the total number of hours worked, including both
36 regular and overtime hours as well as hours taken as leave, divided by the
37 number of hours in a work year. The director of the department of
38 administration shall notify the director of each budget unit if the budget
39 unit has exceeded its number of appropriated FTE positions. The above
40 excluded agencies shall each report to the director of the joint legislative
41 budget committee in a manner comparable to the department of administration
42 reporting.

1 Sec. 46. Filled FTE positions: reporting

2 By October 1, 2008, each agency, including the judiciary and
3 universities, shall submit a report to the director of the joint legislative
4 budget committee on the number of filled, appropriated FTE positions by fund
5 source. The number of filled, appropriated FTE positions reported shall be
6 as of September 1, 2008.

7 Sec. 47. Performance measure results; reporting

8 As part of its fiscal year 2009-2010 budget request, agencies shall
9 submit the fiscal year 2007-2008 result for the performance measures listed
10 in this act. Agencies receiving fiscal year 2008-2009 budgets in Laws 2007,
11 chapter 235, shall submit the fiscal year 2007-2008 result for the
12 performance measures listed in that act as part of their fiscal year
13 2009-2010 budget request. If an agency fails to submit this information, it
14 shall submit a report to the joint legislative budget committee staff and the
15 office of strategic planning and budgeting as part of its fiscal year
16 2009-2010 budget request on why the agency failed to submit its results for
17 the performance measure.

18 Sec. 48. Transfer of spending authority

19 The department of administration shall report monthly to the director
20 of the joint legislative budget committee on any transfers of spending
21 authority made pursuant to section 35-173, subsection C, Arizona Revised
22 Statutes, during the prior month.

23 Sec. 49. Interim reporting requirements

24 A. State general fund revenue for fiscal year 2007-2008, not including
25 the beginning balance and including one-time revenues, is forecasted to be
26 \$9,138,365,500.

27 B. State general fund revenue for fiscal year 2008-2009, not including
28 the beginning balance and including one-time revenues, is forecasted to be
29 \$10,070,386,200.

30 C. The executive branch shall provide to the joint legislative budget
31 committee a preliminary estimate of the fiscal year 2007-2008 state general
32 fund ending balance by September 15, 2008. The preliminary estimate of the
33 fiscal year 2008-2009 state general fund ending balance shall be provided by
34 September 15, 2009. The estimate shall include projections of total
35 revenues, total expenditures and ending balance. The department of
36 administration shall continue to provide the final report for the fiscal year
37 in its annual financial report pursuant to section 35-131, Arizona Revised
38 Statutes.

39 D. Based on the information provided by the executive branch, the
40 staff of the joint legislative budget committee shall report to the joint
41 legislative budget committee by October 15 of 2008 and 2009 as to whether
42 that fiscal year's revenues and ending balance are expected to change by more
43 than \$50,000,000 from the budgeted projections. The executive branch may
44 also provide its own estimates to the joint legislative budget committee by
45 October 15 of each year.

1 Sec. 50. Definition

2 For the purposes of this act, "*" means this appropriation is a
3 continuing appropriation and is exempt from the provisions of section 35-190,
4 Arizona Revised Statutes, relating to lapsing of appropriations.

5 Sec. 51. Definition

6 For the purposes of this act, "**" means this appropriation is
7 available for use pursuant to section 35-143.01, subsection C, Arizona
8 Revised Statutes, and is exempt from the provisions of section 35-190,
9 Arizona Revised Statutes, relating to lapsing of appropriations, until June
10 30, 2009.

11 Sec. 52. Definition

12 For the purposes of this act, "expenditure authority" means that the
13 fund sources are continuously appropriated monies that are included in the
14 individual line items of appropriations.

15 Sec. 53. Definition

16 For the purposes of this act, "review by the joint legislative budget
17 committee" means a review by a vote of a majority of a quorum of the members.